THE CHINA WEEKLY

REVIEW

Devoted to the Economic, Political and Social Development of China and Its Intercourse with Other Nations

The American Chamber of Commerce and *The China Weekly Review*

What America Ought To Do Now!

Do the 'Better Class' Chinese Want Intervention?

The Chinese Side of the Provisional Court Question

By Samuel H. Chang

Significance of the Labor Movement

By Paul K. Whang

Foreign Interests in China

By Geo. W. Missemer

許密勒論報

SATURDAY, APRIL 30, 1927

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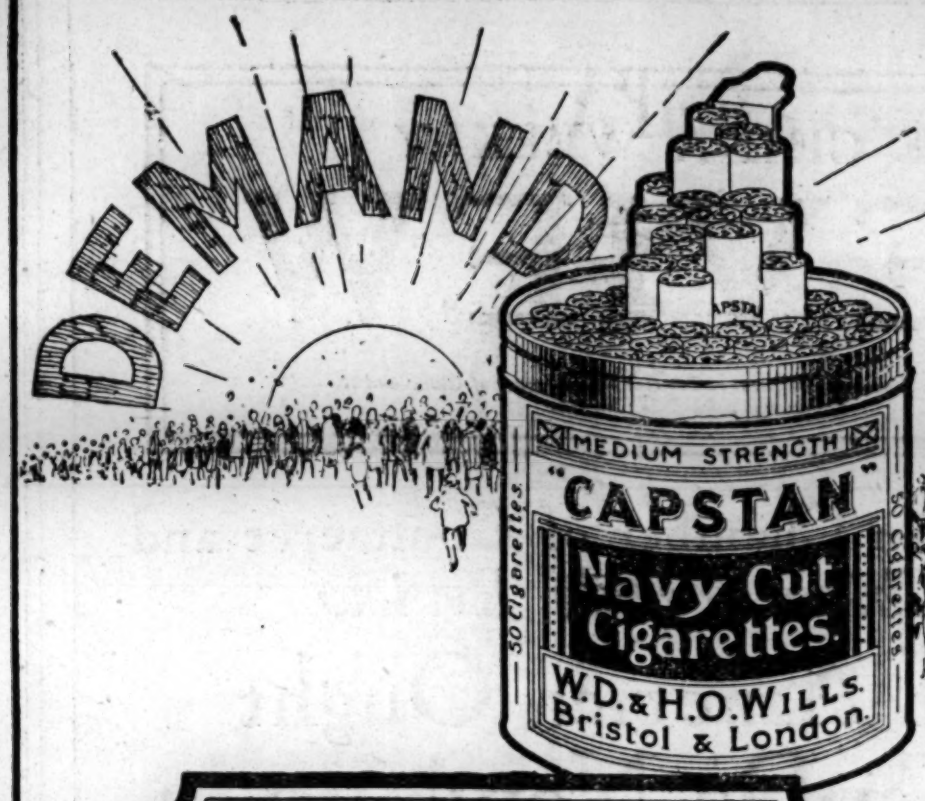

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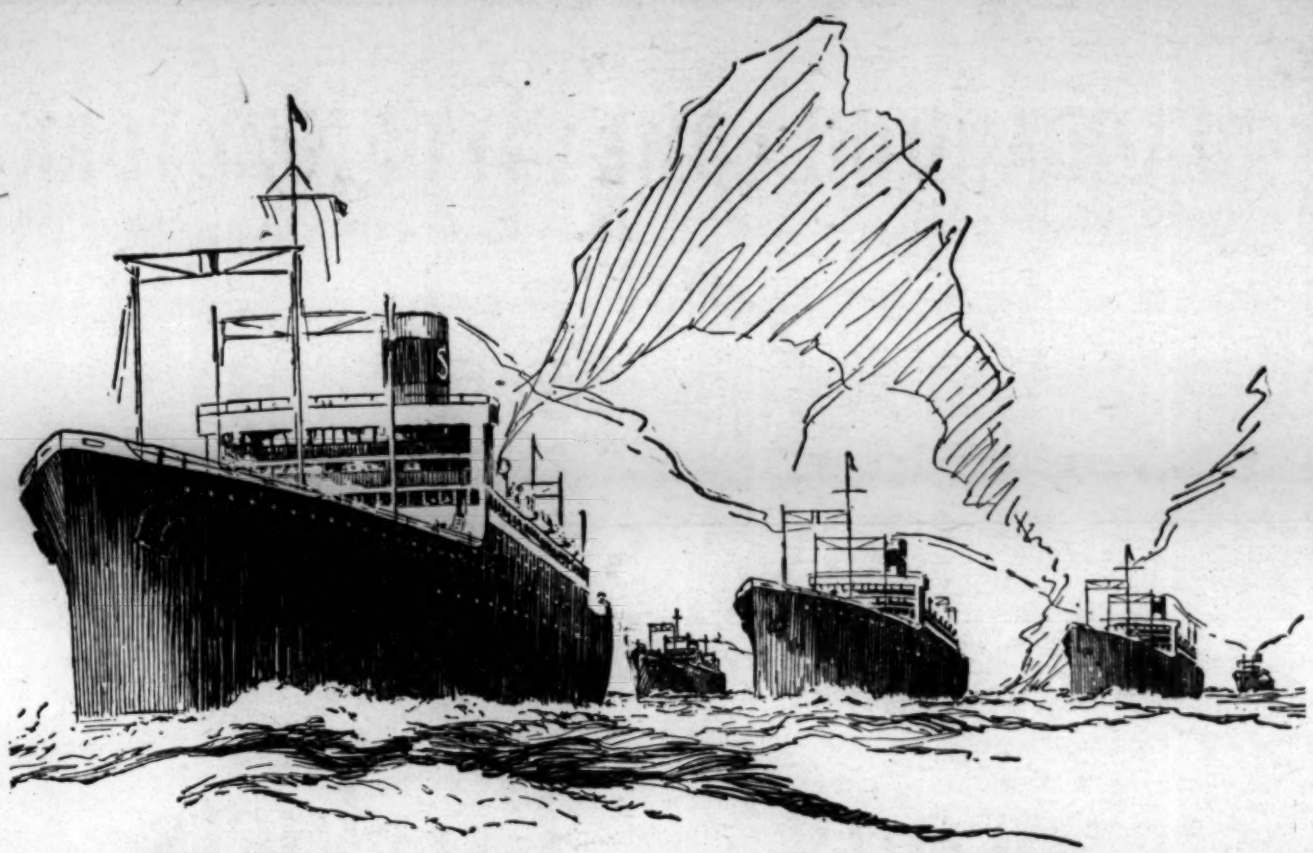

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Formerly Millard's Review

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WHAT AMERICA OUGHT TO DO IN THE PRESENT CRISIS!

SECRETARY KELLOGG declared, rather piously it seemed, some time ago that America has no concessions in China, hence American policy toward China was somewhat different from that of other nations. It is true that America has no concessions in China, but Mr. C. E. Gauss, the American Consul-General at Shanghai, is a member of the Shanghai Consular Body which is supposed, theoretically at least, to control the Shanghai International Settlement, a primarly British area. And in addition to this there are two American members of the Shanghai Municipal Council, one being Mr. V. G. Lyman and the other being Mr. S. Fessenden, who is chairman of the Council. The American Consulate-General at Shanghai while located on Chinese soil, is, nevertheless within the International Settlement which is foreign controlled. In Tientsin and Canton our Consulates are also in foreign controlled territories. So much for the Concession business. In Peking the American Legation maintains a Legation Guard of 450 Marines and at Tientsin is a force of American regular troops of approximately 1,000 men. These forces are stationed in North China in accordance with the terms of the Boxer Protocol of 1901. In addition to these forces in North China America now probably has 30 or 40 gunboats and crusiers scattered up and down the China coast and along the Yangtsze between Hankow and the Sea. In Shanghai today there are probably 1,800 American Marines ashore and some 1,500 additional are scheduled to arrive next week, with still another 1,500 on the way. So much for the military. Now, aside from these interests the United States possesses Consular jurisdiction or extraterritoriality in China, which gives Americans rights which the Chinese do not possess, and in addition to this the United States participates with the other so-called Treaty Powers in the control of China's Maritime Customs, the administration of which is primarily British; but at any rate we are supposed to have something to do with it.

THEREFORE, in view of the foregoing, we can't see how Mr. Kellogg can insist that American interests in China are so greatly different from those of other nations. Mr. Kellogg's statement regarding American policy being different from that of other nations may be good for home consumption, but it doesn't carry much weight with some of our competitors in this part of the world, or with the Chinese. It is true that America has never 'aggressed' on China in a military way, with the exception of participation in the international force that rescued the Peking legations in the Boxer Rebellion, but we have fallen heir to a lot of things as

the result of aggressions by somebody else, this being perfectly natural since Americans didn't care to be left out in the cold. Congress wouldn't let us accept concessions, but we managed in one way or another to get in under the other fellow's wing and we are *in* today, whether we like it or not. All of which brings us to the point of the story which, in simple language is this: In view of the fact that we are *in* the China situation up to our ears and are drifting in deeper very day, it would seem to be about time for America to declare where she stands on the China question. During the past week the writer has interviewed several more or less prominent Chinese, some being office holders under one or other of the two Nationalist capitals, Hankow and Nanking, and some being out of office. One of the subjects of conversation during these interviews was the Nanking incidents and probable American action resulting therefrom. In each case the Chinese interviewed seemed to know pretty well in his own mind what Great Britain was going to do or wanted to do and what Japan was going to do or wanted to do. Only in the case of America was there uncertainty, but each of the Chinese ventured the statement that "America probably would follow Great Britain's lead and do whatever the British wanted America to do." In one or two cases the writer was asked whether America would follow the British or the Japanese, but in no case was the suggestion made that America might take the lead in anything. It must be admitted that this is a rather embarassing situation for America to be in out here, but it's the situation nevertheless!

AND WHAT are we going to do about it? American policy toward China hinges entirely upon the old treaties to which we are a party and under which we have acquired our various interests and special rights enumerated above. Secretary Kellogg in his recent Note on American policy said that America was willing to negotiate with China for treaty revision, "if and when," and also rather timidly suggested that we might negotiate *alone*, irrespective of the actions of the other Powers, if it came to a showdown. But the whole thing was conditional on the "if and when" and we have yet to see a Chinese, or an American either for that matter, who was satisfied with Mr. Kellogg's statement. Now since Mr. Kellogg's statement was made, many things have happened in China. Two consulates have been withdrawn entirely from the Upper Yangtsze. The Consulate at Hankow is on the edge of being withdrawn with the consular archives on a gunboat. In Nanking the consular archives have been violated and scattered to the four winds by looting soldiers and the Consul, Mr. Davis is living on a gunboat anchored in the river, the gunboat being forced to frequently change its moorings to avoid being hit by shell fire. Americans residing in the interior of China, business men and missionaries have either been chased out to the coast or have been ordered out by the Consuls. So there we are, or rather, here we are in Shanghai, inside of the barbed-wire which was constructed by the Shanghai Municipal Council and is guarded by British troops. Not an altogether enviable situation! What are we going to do about it? Sit here in Shanghai, inside the barbed wire and wait for somebody to start something that may drag us in, or gradually liquidate our interests through natural economic process and go home!

IN VIEW of the fact that our old treaties have already been scrapped by the Chinese and our business men and missionaries have been withdrawn and our business practically stopped anyway, it would seem that we haven't much else to fuss about. Therefore, why not a clean-cut declaration of policy that we are now ready to denounce our old treaties and start out on a new basis. There isn't an American of intelligence in Shanghai who thinks for a minute that we will ever be able to get back into China under the old treaties. Hence, why worry about them any more. Why not tell Chinese people flat-footedly that we are now ready to scrap the old treaties and make a new deal and show that we mean business by sending a High Commissioner out here with authority to negotiate a new treaty with anybody that Eugene Chen, Chiang Kai-shek, Wellington Koo or Chang Tso-ling or all of them together may wish to designate for that purpose. The Chinese claim that they are united on the question of revising the treaties. Let's make them prove it by making the first move ourselves. Then if the Chinese fall down on their part of the bargain, surely they can't continue to blame us for their troubles. All that any American wants in China is the right to trade and pursue his normal activities whether it is running a missionary school or selling canned asparagus. All that we ask is the same protection in China which the Chinese restaurant keeper enjoys in the United States. If we can't get that, then there isn't any particular use wasting our time out here any more, so why should we continue in the present deadlocked situation waiting for something to happen which may not be to our likeing when it does happen. There have been a few times in our past relations with China when American statesmanship was able to rise to the occasion and do something big. John Hay did it with the Open Door and Roosevelt did it with the return of the Boxer Imdemnity. Hughes almost did it at the Washington Conference. Coolidge now has a similar opportunity to make a stand and end the present dangerous situation, which we believe would be welcomed by both Great Britain and Japan, the two other chief parties to the deadlock.

WHAT DO THE 'BETTER' CLASS CHINESE WANT?

SOMEBODY contributed a letter to one of the foreign newspapers in Shanghai last week alleging "*that the better class of Chinese, the rank and file, the business men and the merchant class would desire nothing better than some form of foreign intervention in China.*" It would be interesting to learn the source of this gentlemen's information: we would even be willing to make a wager that it would be impossible to obtain the name of a single Chinese 'of the better class' to a petition to this effect. The reply to this naturally would be that they would decline to express themselves publicly owing to fear of intimidation, but regardless of the reason the facts stand that the Chinese unitedly oppose foreign intervention and interference in their affairs for reasons just as sound and logical as the Japanese would resent interference, or the Americans, British. Germans, French or anybody else for that matter. In the last election in England, the Conservatives won out against the Labor party, partly at least, on account of the famous Zinoviev letter, which the British people very properly considered Russian interference in their domestic political affairs. At present in the city of Chicago, U. S. A. a candidate for Mayor is making a campaign for re-election on an 'anti-British' platform, alleging that British interests have been trying to re-write the history text books used in the public schools of the city for the purpose of 'toning-

down' some of the passages relating to the American revolutionary war against England. The whole thing is probably pure bunk, but it illustrates pretty well the point that any people resent foreign interference in their domestic affairs. A British journalist of international repute, recently in Shanghai made the statement that the present anti-Britishism and anti-foreignism prevailing in Russia has been the natural result of foreign financial backing extended to one or another of the reactionary factions which have attempted to overthrow the present Soviet regime. Instead of weakening the Soviet these foreign attempts at interference have rather tended to consolidate the Soviet in power through enabling them to appeal to the Russian people for support against the foreigners.

THE *CHINA WEEKLY REVIEW* recently published a book of biographies of prominent Chinese selected from all walks of life and including politicians, generals, doctors, lawyers, judges, bankers, diplomats and so on. The book contains biographies of about 1,000 Chinese leaders from all parts of the country and we will defy anybody to pick out a single man in the book who would state frankly that he favors foreign intervention as a means of solving China's domestic problems. The reason for this is obvious, simply because the Chinese generally realize that most of their internal political misfortunes since the revolution of 1911 have come from foreign interference, chiefly backing of some military or political leader or faction. Immediately after the revolution of 1911, the Powers financed Yuan Shih-kai and thereby killed him as a political factor because just as soon as the Chinese people found out what had happened they started a rebellion. Then during the course of the World War when the European Powers and America were engaged elsewhere, the Japanese stepped in and financed the Anfu Clique of militarists, hoping in this way to unify the country under a military group that would be friendly toward Japan. The result was the exact opposite of what the Japanese hoped to accomplish, for as soon as the Chinese people found it out they drove the Anfuites out of office and they are still out and worse yet the Japanese Empire is now involved in a most serious financial crisis largely due to the failure of the Bank of Taiwan through whose offices the Nishihara loans were made. To mention other cases, take Chang Tso-ling: he has been discredited with the Chinese people largely because of the suspicion which exists that he has received financial and military support from the Japanese. Marshal Wu Pei-fu, on the other hand has been discredited because of the suspicion, probably baseless, that he has been financed by the British. And now to complete the story, a considerable section of the present Nationalist movement is being discredited because of the allegation that some of the leaders have been financed by the Bolsheviks. Thus it goes and thus it will continue until foreigners learn through bitter experience, that the financing or subsidizing of Chinese politicians or political factions is waste of money; we might almost say, criminal waste of money.

ON APRIL 21, *Reuters* carried under a London date line an interview with Mr. J. O. P. Bland, former secretary of the Shanghai Municipal Council, who we understand is still on the pay roll of the Council as its representative in England, and in the course of the interview Mr. Bland made the statement that "Every leader in China, was either in the pay of somebody or was prepared to be in the pay of somebody. *For some millions of roubles, I guarantee to get a pro-British movement in China tomorrow.*" We italicize the last sentence since it calls attention to a popular misconception of Chinese political morality which seems to persist in high circles abroad. We hold no brief for Chinese politicians on the score of morality and likewise hold no brief for the morality of politicians as a class anywhere, but we venture the statement that declarations such as this one by Mr. Bland do the British more harm in China than anything else. It is said that every man has his price and it is possible that Chinese politicians may have somewhat lower prices than politicians in England and America, but it is public opinion that always counts in cases of this kind and just as soon as the public discovers that its leaders are being seduced, that ends the usefulness of the leader under suspicion regardless of whether he lives in Shanghai London, New York or Tokyo. At the present, public opinion among foreigners in China is tending to look favorably upon Gen. Chiang Kai-shek because of his recent actions in suppressing bolshevik labor agitations in the territories under his control, but the surest way in the world to kill Chiang Kai-shek is to let it be suspected that the foreigners are supporting him. The best way for the foreigners to help Chiang Kai-shek is for the foreigners to keep their fingers out of the mess and let him severely alone!

WHICH IS THE RIGHT WAY TO 'DABBLE' IN POLITICS?

A CONSIDERABLE number of persons in Shanghai are now lambasting the National Christian Council for 'dabbling' in politics, claiming that the National Christian Council, which is composed of Chinese and foreign Christians of all protestant denominations, should stick to their task of propagating Christianity and leave politics alone, to be discussed, we presume, exclusively by the foreign business men and diplomats. The particular charge which has been brought against the National Christian Council is that it has recommended to the various foreign governments that the so-called unqual treaties should be modified in accordance with the demands of the Chinese. Now, in addition to a considerable number of business men and at least one newspaper, the *North China Daily News* (British), which have been attacking the National Christian Council, a number of missionaries have lately joined in the chorus. Recently two gatherings inspired by an organization called the 'Fundamentalist Mission' the autecedents of which are more or less obscure, have been held for the purpose of attacking the National Christian Council. From the reports of these gatherings appearing in the Shanghai newspapers they were somewhat on the line of the Tennesee 'Monkey' trial held in the United States some time ago, but one of the meetings did succeed in passing a resolution by a vote of 59 to 50 censuring the National Christian Council on political grounds. These meetings owing to their ridiculous aspects have considerably relieved the tension in Shanghai by adding a touch of humor, but unfortunately most persons have missed the really ridiculous aspects of the situation. What we have in mind is this: Those who have been attacking the National Christian Council for dabbling in politics and have even signed resolutions and petitions to this effect, have on the other hand been working most strenuously in trying to induce the foreign Powers to intervene in China. We know of one missionary in particular, who under ordinary conditions is a most intelligent person, but

he fails entirely to see the humor of the ridiculous position he has placed himself in by signing a petition attacking the N. C. C. for dabbling in politics and on the other hand signing a telegram to Secretary Kellog urging American intervention in China. Therefore we ask the question at the head of this paragraph and at the same time express a wish that Will Rogers, our own inimitable Anerican humorist would come to China and write a piece on this subject!

EAST AND WEST IN CHINA

A CONTRIBUTOR has sent to *The Review* an article on "East and West in China," in which he mentions that the material difference between the East and West is social. On that subject few will disagree, but this contributor then goes on to develop a thesis based on this statement: "A characteristic of the Chinese race which distinguishes it from the other people of Asia is Pacifisim . . . The idea of settling disputes by force is to them abhorcent." For the present at least such a pronouncecent is hardly justified. This contributor is on firmer ground when he states that what China first of all needs is men——men who will develop into leaders with courage, integrity and devotion to public duty. Not until she has leaders with the qualities stated will she qualify for recognition as one of the really great nations of the world. He says: "If the West be accepted as the standard of progress, the East needs instruction in science and industry. The wisdom of adopting a parliamentary form of government in China is doubtful. Before she can hope to work any system of representative government her people will need experience in managing their own local administration, for most men who have given the question thought, agree that this is the best preparation for participation in national affairs."

THE AMERICAN CHAMBER OF COMMERCE AND THE CHINA WEEKLY REVIEW!

THE MEMBERS of the American Chamber of Commerce at the annual meeting held on the afternoon of Tuesday, April 26, passed the following resolutin, which was proposed by Mr. F. F. Fairman, Chairman, and seconded by Mr. G. E. Tucker, one of the members:

> "Whereas, it is the opinion of the American Chamber of Commerce in annual meeting assembled, that having regard to the adverse criticism published in recent issues of *The China Weekly Review* concerning measures of local defense, together with the general tone of editorial comment on questions which concern the lives and property and general welfare of American citizens in Shanghai, this Chamber emphatically declares that the present policy of *The China Weekly Review* appears to be in direct opposition to the opinions and views as held by the members of the Chamber on these matters of such serious and supreme importance, thereby lending aid to disruptive instead of constructive elements. Therefore, be it resolved that *The China Weekly Review* is hereby requested to resign its membership in this Chamber."

Immediately following the presentation of the resolution, Mr. J. B. Powell, editor of *The Review*, who was present, made a brief talk in which he declared that the presentation of the resolution asking *The China Weekly Review* to resign from the Chamber was contrary to the Constitution of the Chamber, which provides that before the Chamber could suspend or expel a member notice must be given to the member involved and to the membership at large in order that a hearing could be held. Mr. Powell explained that no such notice had been given, which he considered to be unfair and contrary to usual practice in matters of this kind, hence he reserved the right to take any future action which he might consider fit.

Mr. Powell then explained that the editorial attitude which he had taken in *The Review* had been based upon what he understood American policy toward China to be; that he did not think the American people wanted to become involved in the internal political affairs of the Chinese people; and that recent dispatches from Washington and Peking had shown that the editorial poiicy of *The Review* was more or less in accord with American policy.

The Editor of *The Review* explained that in addition to the publication of *The Review* he also served as correspondent for the *Chicago Tribune* and the *Manchester Guardian* and in all of his newspaper work he had always endeavored to present the truth as he saw it, otherwise he would not be honest with his readers. If the American Chamber of Commerce desired his resignation, Mr. Powell declared his willingness to comply, but he objected most strenuously to the action of the Chamber in violating its own Constitution in failing to give him previous notice and thus enabling him to defend himself.

Mr. G. E. Sokolsky, editor of *The Far Eastern Review*, another American publication in Shanghai, took up the cudgels in Mr. Powell's behalf, declaring that the Chamber's action would be detrimental to the best interests of the Chamber and probably would be of great assistance to *The China Weekly Review* in the campaign which it was making. Major C. P. Holcomb, another member of the Chamber, also spoke on the resolution, declaring that he favored it, chiefly because he thought the policy of *The Review* had been responsible, partially at least for what he considered the "pusillanimous" policy of the American Government regarding the present situation in China.

Following the meeting of the American Chamber of Commerce, Mr. Powell handed the following statement to the Shanghai newspapers for publication and also handed it to the *Associated Press*, *Reuters* and the special correspondents of the American and British newspapers:

STATEMENT OF MR. J. B. POWELL, EDITOR OF THE CHINA WEEKLY REVIEW, IN REFERENCE TO THE ACTION OF THE AMERICAN CHAMBER OF COMMERCE IN ASKING THE RESIGNATION OF THE REVIEW FROM THE CHAMBER:

> "The action of the American Chamber of Commerce of Shanghai in asking the resignation of *The China Weekly Review* will not result in that magazine tendering its resignation or changing its policy. As I understand the action of the Chamber, it was an expression of disapproval of the policy of the magazine and not a personal matter. I also would point out that it was not an expulsion or a suspension, which can only result from dishonorable conduct, with which it was made plain I am in no manner charged. Moreover, the request for my resignation is not compulsory.
>
> "On the larger matter of American policy toward China which has been expressed in *The China Weekly Review*, and with which the Chamber appears to be in opposition, I certainly have no intention whatever of changing my

views, which are, that the American people have no business or interest in intervening in the internal political affairs of the Chinese people. The American Chamber of Commerce apparently believes in involving America in complications in this part of the world which, in my opinion, may be far reaching even to the extent of another world war.

"American policy toward China has always been predicated on the Open Door of equal opportunity and the policy of Roosevelt as indicated in the return to the Boxer Indemnity, not to mention the serious efforts of former Secretary Hughes in trying to bring about a new deal in the Orient through the Washington Conference. American interests in the Far East would be best served by a strong, united and democratic China. I believe the Chinese have a right to the expression of their views as well as have the Americans, the British or anybody else, and as long as I am engaged in the publication of an American newspaper in Shanghai, it is my intention to give them a square deal along with other nationals interested in the vital questions involved in this part of the world."

The Board of Directors of the American Chamber of Commerce which drafted the resolution and recommended its passage to the membership at the annual meeting was composed of the following representatives of American business concerns:

F. F. Fairman, manager, Dodge and Seymour; J. V. Murray, The Texas Oil Company; V. G. Lyman, Standard Oil Company; C. H. French, Andersen, Meyer and Company; F. J. Raven, American-Oriental Banking Corporation; S. C. Kingsbury, Connell Brothers Company; W. H. Bolton Bristle Company; W. I. Eisler, Eisler, Reeves and Murphy; W. S. Fleming, Fleming and Allman, attorneys. It is understood that two members of the Committee, O. G. Steen of the Dollar Steamship Company and C. S. Beatty of the Sunmaid Raisin Company, were absent when the action was taken.

Exports from Shanghai to U.S.A.

Statistics of the exports from Shanghai to the United States during the first three months of 1927 have just been published by the American Consulate General. The total of exports to the United States for said period was G$13,936,242, which was a considerable drop for the corresponding period of 1926 when the total was G$17,398,782. One item alone, raw silk, accounts for the drop; generally speaking the staple export products showed increases. Raw silk for the three months period under review dropped from G8,612,665 in 1926 to G$4,861,191 in 1927.

Among the items that stand out prominently in the 1927 period are lamb skins, of which almost a million gold dollars worth were exported as against none at all for the first three months of 1926. The largest individual item under "furs and skins" are weasel skins, of which G$1,515,773 were exported during the first quarter of this year—a slight increase over the same peried of 1916.

Chinese wood oil made a remarkable showing compared with the 1916 quarter, having risen from G$3,075 to G$83,980. Gallnuts also improved a great deal—G$65,643 as against G$13,953 last year.

Sheep's wool for this year's quarter accounted for G$156,084 as against G$75,188 last year. But the sad state to which bobbed has hair driven the hair net trade is reflected in the statistics—less than four thousand gold dollars worth in this year's quarter as against G$124,136 last year.

The export trade to the Philippine Islands for the quarter increased from G$734,968 to G$953,284,—at least those are the figures, but the difference is accounted for by shipments of silver dollars; of ordinary cargo there was the usual average. The largest single item of exports to the Philippines from Shanghai is fresh eggs.

"Should The Missionary Be Discouraged?*"

BY D. WILLARD LYON

THE missionary movement in China is now confronting a major crisis in its history. Another such crisis was the cataclysm of 1900. Then as now the missionaries in more than a third of China were suddenly taken from their work, though the present has involved at least three times the number of the former evacuation. In the previous crisis scores of missionaries and thousands of Chinese Christians made the supreme sacrifice; in the present upheaval the number of matrydoms has thus far been happily very small. The real animus which was engendered against the foreigner on both occasious grew out of the malevolent forces which he is supposed to represent. The appeal in those days was largely made to the superstitions of the people regarding the occult powers which the demon-possessed foreigner was thought to wield; the anti-foreign spirit resulting from this appeal showed little discrimination; it was a blind hatred which for the most part succeeded in capturing only a limited number of those who were relatively ignorant and disaffected. In the present agitation against the evils of foreign influence the awakened animus differs from that of the former agitation in not less than three important respects: the evils which have resulted from the foreigner's presence in China are much more clearly defined, the procedure for their removal is far more concretely worked out, and public opinion in favor of the removal of these evils is manyfold more fully aroused today than in boxer days. The anti-Christian factor in the situation is also very much more intelligent and discriminating now than then. Christianity is hated now not only because it is thought to be in league with imperialism, but because in the struggle between capital and labor in the West it is believed to have taken the part of the capitalist; the laborer has thus been taught to hate the Christian as he hates the man of wealth. In order to make an ally of the intellectuals the anti-Christian agitator has imported many of the weapons wrought from the struggle in Europe between religion and science. Christianity has, therefore, far more to combat in the present struggle than it had in the days of boxer achievement. The intensity and intelligence of the anti-Christian propaganda of today and the fact that many students of missionary institutions, some of whom were supposed to be earnest Christians, have been engulfed in its onward rush, may well give pause to every missionary, and be a point for true discouragement.

Justifiable Feeling of Depression

In the present situation we might be fairly charged with an unwillingness to face the facts if we failed to give full weight to other grounds for a justifiable feeling of depression. The very suddenness and completeness of the evacuation which has taken place is a discouraging factor of no small import. Half of China has been denuded, as by a giant tornado, of most of its missionaries and of many of the institutions which they with motives of service had laboriously established through many years of hardest toil. A great catastrophe has surely overtaken the missionary enterprise in China. Who can help feeling the pangs of disconragment in a time like this?

More disheartening than the mere fact of evacuation is the contemplation of what this fact will probably signify in the minds of the newspaper reading public all round the world. There are multitudes who are asking for an explanation of what seems to be a fact that a vast and well-supported missionary enterprise, built upon the supposedly secure foundations of Christian idealism, by gradual and thorough processes extending through many decades, should have crumbled to ruins in a few weeks' time as the result of a materialistic influence promoted by a mere handful of anti-Christian propagandists over a period of approximately half a decade? Does this mean that the idealism of Jesus is in fact impractical? Does it mean that foreign Missions must now be abandoned as an impertinence? Is it true that the Chinese resent the "cultural invasion" of the Christian religion as keenly as they do the economic or political invasion of a foreign government? If the only people to ask such questions were themselves anti-Christian, the situation would not seem desperate. But word is percolating through that even our supporters are being disturbed by similar questions.

Conditins Drfferent from "Baxer" Bays

Although there was a period of depression following the boxer outburst, based on the havoc that had been wrought and the lives that had been lost, yet as a rule the missionary

*This article is the substance of an address delivered April 20 at the Royal Asiatic Society Hall, Shanghai.

societies of those days felt a strong urge promptly to re-occupy the territory temporarily lost. The keynote of the period which followed was one of expansion. The number of missionaries rapidly increased and the blood of the martyrs proved once more to be the seed of a new and larger Christian community. There was a correspondingly rapid and almost phenomenal growth in the material equipment of missions, especially in buildings devoted to medical and educational purposes. In some of the larger cities colleges and hospitals of a cooperative nature sprang into being in response to the plea that both economy in administration and quality of service would be greatly improved by various missionary societies pooling their common interests. The missionary in the post-boxer days felt a new lease of life. He was conscious that he was more needed in China than ever. The tasks to which he addressed himself seemed bigger and more worth while than those which absorbed his interest in earlier days. Generally speaking old objectives and tried policies seemed adequate for new days. The chief demand was to enlarge their use and thus to increase their output. The call was to advance along lines already laid down and to do a work commensurate with the larger opportunity.

The future which we now confront is quite a different one. Policies which have for decades been accepted as sound must now be restudied. Neither the missionaries nor the missionary societies which sent them can any longer take these policies for granted. A Missionary revolution has taken place. The functions of the mission and of the missionary call for radical redefinition. It is plainly obvious that the missionary cannot return to a position similar to the one he has previously occupied, nor ply his trade with the same implements he has used in the past. It is far from clear at the present moment what his place can be. He confronts forces which are vaster and less easily harnessed than those with which he has been accustomed to work. He does not know whether the interest of the churches which have sent him will be sufficient to maintain him for a future period of service. Somehow he feels that the foundations underneath his vocation are slipping and he knows not what the future holds in store. Little wonder, then, that he is tempted to feel discouraged! Putting all these points of discouragement together gives us rather a dark background on which to paint our picture. The encouraging aspects will need to be fairly bright if they are to be visible and they must be of colors that will not fade if the picture is to give us hope. Let us see what can be done.

The first bright pigment into which we dip our brush is that of the beautiful spirit shown by many of our Chinese Christian friends in the time of need and even by non-Christians and strangers. Story after story has been wafted in of the way in which they offered shelter, paid ransoms, spoke the quieting word, assumed heavy responsibilities, prayed and served, and even risked their lives, all that their friends the missionaries might escape from danger. "Greater love hath no man than this, that a man lay down his life for his friends." The story can not be fully told, of how some of these faithful ones have been watching over their flocks of fellow Christians, by night and by day, to see that they are shepherded in the hour of trial. Some missionaries in one of the large communions represented here this afternoon have yet to hear of a single Chinese pastor in the entire area of the Chekiang and Kiangsu provinces having failed to stay true to his calling during these recent weeks of great anxiety. Every individual instance of a Chinese rising to the height of his privlege as a Christian and demonstrating the Christ-like spirit in this time when sinister forces are rampant will be an adequate justification for the toil which has been spent in transplanting that spirit to Chinese soil. That time will give us abounding proof of the reality of the Christian faith of many, we confidently expect.

As in the past persecutions wherever they have occurred have usually tended to burn the dross out of the persecuted Church, so in China this present ordeal is almost certain to make for the purification of the Chinese Church. The insincere, the doubleminded, the unscrupulous will for the must part eliminate themselves; many of the fearful and the weak may fall by the way; but those who remain true to Christ will be strengthened in their faith and be drawn closely together, as were the early Christians in the catacombs, until their very devotion to each other will become the Church's best apologetic. A Church thus purified will be in a far better position to enter upon the responsibilities of self-determination than ever before. A Church so tested can safely be trusted by the Church of the West, and is the Church which will crave the spiritual fellowship of the missionaries. This then is our second ground for encouragement.

Embarrassment of Concentration

While the presence of missionaries has been needful in the past as a means of introducing and exemplifying the gospel of Christ to the Chinese people, and the vastness of China's population has justified their coming in large enough numbers to develop centers of light in all parts of the country, yet their very numbers, and especially their concentration in large units in a few so-called strategic centers, have brought with them an attendant embarrassment of no small magnitude. Wherever Chinese leadership has appeared in church or school it has usually been obliged to struggle against the great handicap of being hopelessly in the minority. Even the most courageous among these leaders have found it difficult to give free expression to their convictions in the presence of an overwhelmingly foreign administrative body. Their diffidence has doubtless been in part due to their eagerness to learn all that their foreign colleagues have to teach them, and to give their methods of work a full trial. But in their heart of hearts they have often felt that the foreigner is after all a foreigner, that he views each problem more or less from the angle of his own social and religious inheritances, that he only partly understands the psychology of the Chinese, and that there is little use trying to get him to see things differently. With this underlying assumption in their minds the Chinese leaders have been compelled more or less to take the attitude of making the best of the situation, by letting the foreigner have his way for the time being, and by biding their time for making the changes in procedure which will more nearly accord with Chinese habits. But the missionary has been slow to appreciate the emharrassment of his Chinese colleague though eager to give him fuller opportunity to exercise his powers of leadership. As a concrete illustration I remember learning not many months ago of the experience of a leading missionary friend who was the administrative head of an important aspect of work; for years there had been associated with him as members of his administrative committee the most gifted from among his missionary colleagues who were interested in his particular line of work; this line of work was one in which not a few of his Chinese colleagues were also interested; and my friend sincerely desired to see them share responsibility for the work; he first began by asking them to help him in certain particular projects; out of loyalty to their spiritual father they did what was asked of them, though not always with much enthusiasm; later, realizing that he needed to develop in the Chinese a sense of proprietorship he invited first one, then two, of his Chinese associates to sit on his administrative committee; finally, in desperation, he appealed to a visiting Chinese Christian, whose name was known to Christians all over the land, for advice as to how he might develop the Chinese leadership he so desired for his particular line of work. After getting the facts before him the visiting Chinese said something like this: The Chinese will not assume major responsibility until they feel that the work is theirs; they will not feel it to be theirs so long as the dominant element in your administrative group is foreign; nor will they feel it to be theirs if the Chinese element is appointed by the foreign; my advice is, scrap your present organization; make a new organization in which the Chinese will have at least a majority voice; refuse to be a candidate for election as Chairman; and place all the facilities of your old organization at the disposal of the new one, and you will have joy in seeing "your" work become "theirs", with a richer fruitage. But my missionary friend became exceeding sorrowful, for the riches of years of experience, and not a little money, hardly gathered, were invested in his work, which he feared to see get so quickly out from under his more experienced control.

Executive Control For Chinese

I recall an instance of another line of work originally somewhat similiarly organized, in which the missionary ultimately succeeded in turning over the whole control to a committee almost entirely Chinese, which in turn insisted that the missionary remain the chief executive officer; but the Chinese committe so fully deferred to the missionary's viewpoint that he became painfully conscious that they looked upon the work, after all, as not really theirs, but his. He thereupon resigned his executive position; but it hurt the committee's sense of obligation to the missionary to accept the resignation; and there seemed no way out of the impasse, until a crisis in the head office of the missonary led to his recall for service there. Immediately the missionary had left the field the way was cleared for the Chinese committee to put a Chinese into the chief executive position vacated by the missionary, and the work of the committee from that day went on from strength to strength. The opportunity afforded to the Chinese on a small scale in this last incident is now offered on almost a nation-wide scale by the present upheaval. The Christian movement in China has at last been freed from the certain hindrances in the realization of its autonomy inherent in the too great proximity or the excessive concentration of foreign missionaries in centers and in types of work where latent Chinese leadership is ready to take the reins of administration into its hands. Surely this is a third ground for great encouragement.

Not alone in the matter of leadership have the Chinese Christians felt the embarrassments of our presence in their

midst. But in other realms as well, as for example, in the denominational differences we have imported. We recognize that these differences are for the most part utterly meaningless to them, yet in the efforts which we missionaries have made, in partnership with our Chinese colleagues, to consolidate into larger unions various denominational bodies, the Chinese have become confused and almost disheartened by the bewildering problems which we have raised in the process. How often they have sighed for the liberty they now have to effect their church unions along lines adapted to their own ways of thinking and working we shall probably never know. Our absence though temporary, coupled with the common tasks which in the new situation will tend to draw them together, may furnish the atmosphere andt he incentive for making unions, local, regional and national, which will enable them more effectively to apply their united strength to the solution of the religious problems they confront, than any device we missionaries have yet invented or even imagined. In fact the process has already actually begun; it will surely continue with accelerated growth. Take as another example the so-called "indigenization" of Christian worship in China; we missionaries have recently been waking to a realization of the fact that the types of worship we have introduced are ultra "foreign"; we have magnified concerted acts of "congregational" worship, with what appears at times to our Chinese friends to be an almost rigidity; even our hymns carry much of the martial flavor; but we have forgotten that these are largely the accidents of worship, which grew up with the civilization in which our western Christianity developed. The Chinese have often asked: Why should the religion of Jesus, who emphasized the individual in all of his work, and helped him find ways to express his dependence on God and his love for fellow-men in personal ways, be brought to us in a form which emphasizes uniformity in group actions of worship and service? But the Chinese Christians have not felt free to alter the "old custom" which the missionary has introduced, of a fixed hour of worship, the singing of western tunes, the standings and sittings and kneelings in unison, as if under a drill-master, the listening to long prayers and longer sermons, and the sudden evacuation of the house of worship at a given signal, as if it were a prison from which it were a joy to be free for another seven days. The time has now come, however, when fresh experiments can be made in discovering ways in which to worhip God more worshipfully, according to Chinese ideas of spontaneity and prayerfulness. Time fails us to enumerate other realms in which the Chinese Christians will now be free to find better ways of expressing their thoughts of God, their loyalty to Him, their passion for Christ's kingdom, and their visions and aspiration. That they are at last for the time being free to do all this without the handicaps due to the presence of the missionary is yet another ground for encouragement,

"Rethinking" Missionary Policies

Last among the grounds of encouragement which I am trying to bring to your attention though I do not think it by any means the least, is the challenge, and opportunity which the present emergency offers to us as missionaries to rethink our missionary policies and to rebuild our missionary program. Just as the great fires of modern history have made it possible for more beautiful and better-built cities to rise from the ashes of those that were destroyed, so out of the havoc which has already been created and may yet be made more complete, there may emerge a far better and more useful Christian enterprise in China than would have been possible without so great a cataclysm.

Here, for example, are some of the problems to which we are now challenged to give our very best and most prayerful thought:—

In our past relations with our Chinese fellow-Christians have we been guilty, consciously or unconsciously, of any attitude of social superiority? Have we made it at any point difficult for them to become our intimate friends? Have we dominated their thinking or ridden rough-shod over their preferences? Have we expected sacrifices of them that we would not have gladly made had we been in their places? Have we given them the same liberty to carry responsibilities that we have ourselves assumed? In what respects do we intend to mend our attitudes in the future?

In the emphasis which we have been placing on the development of strong institutions, have we done so at the expense of the spirit and the life which are needed to make these institutions worth while? Have we planned them with a view to their adaptability to Chinese management and to continued fruitfulness in the Chinese community? What steps have we now to take to ensure such adaptability in the future? What contribution have we to make in helping to bridge the great gap between the institutionalism we have built up and the life of the Chinese Church?

What shall be our attitude to the very difficulties and discouragements which we have just considered? Shall we allow them to depress us continually, or shall we fix our vision on the brighter parts of the picture, and on the task ahead which challenges us? The attitudes we take, the motives to which we respond, the spirit we radiate, will all have their effect on those with whom we have relations. By our attitudes we shall be helping or hindering the Chinese about us, our fellow missionaries, our friends in the home lands, and our leaders, the missionary statesmen of the world, as they seek to solve the the pressing problems of the new age, an age on ages telling. We here are being given a share in helping to prove whether or not the Christian culture which we represent can outlive the international strain of these difficult days. The issue is more than that of the survival of missions. We are now in the lime-light in the prolonged struggle between a civilization based on force and one founded on brotherhood. To be living in China at this time is truly sublime.

The Chinese Side Of The Court Issue

BY SAMUEL H. CHANG

"If you want to beat a dog, you can always find a cudgel."

BECAUSE the Shanghai Provisional Court dares to take the stand that it is a Chinese court to be administered according to the Chinese law, and not a mere replica of the former Mixed Court, and because the judges of the Court have the judicial courage to act as they should, certain members of the foreign official circle have charged the Court with deliberate violation of the Agreement, while the local senior British paper, generally accepted as an official organ, the North China Daily News has seen fit to pronounce it "a scandal and a mockery", and "a misfit that must go....outside the barbed wire, with the agitators and gunmen with whom the Court has such indulgent sympathy", suggesting at the same time the setting up of "an emergency court that will not turn police cases against dangerous disturbers of our peace into such straight-faced farces as the Roman augurs winked at."

I am not one of those who necessarily believe that blood is thicker than water. But it should be pointed out for the information of the public, since curiously enough the Court has not yet done so, that because the Provisional Court is acting in accordance with the Chinese law and operating on sound principles, rather than following the practices of the former Mixed Court and respecting the prejudices of the Consular Body, it is unfair and unreasonable to charge it with deliberate violation of the Agreement; that far from being a scandal, a mockery, and a misfit, the Provisional Court proves, as few of the Chinese governmental organs have the opportunity to do, that with sufficient support and adequate authority, any group of able and honest Chinese officials can be relied upon to acquit themselves honorably and creditably. As to the suggestion that the Court be put outside the barbed wire where the agitators and gunmen belong, and that an emergency court be set up, we have only to bear in mind that it is typical of the British attitude towards anything Chinese, and therefore we must forgive the editor for having lost his reason.

Perhaps the most sweeping criticism of the Court comes from the foreign official circles. It is that the Court has deliberately violated the Rendition Agreement in various instances. Expulsion, for example, is one case in point.

Before rendition was effected, it had been the practice of the Mixed Court to expel undesirables from the Settlement. Such practice, however, had no legal basis, and even if the Settlement authorities had referred the question to the Chinese Government, as it should, the latter would never have consented to it. It was not provided for by the original. Yangkingpang Land Regulations, nor does the Chinese law prescribe such punishment. It was started and gradually became an established practice at a time when the old power and glory of China had passed into disastrous internal disintegration and disgraceful official incompetency; when foreign imperialistic encroachment was successfully maintained and continuously extended by the presence of gunboats, until at last when the local magistrate was only too glad te let the foreign aggressor have his own way. Hence, expulsion became an acknowledged procedure in spite of the fact that it is against the Chinese law. Subsequent magistrates yielded to it either through ignorance or by force of circumstances.

In the Exchange of Notes for the rendition of the Mixed Court, however, provision is made for the validity of all former expulsion judgments. In such cases, whenever possible, the judges have adhered to the Agreement and have meted out punishment commensurate with the crime. As a matter of fact, when an expelled criminal returned to the Settlement, the Police may refuse his entrance on the strength of the previous judgment of the Mixed Court. They need.

not bring him before the Court; for it is an executive or administrative question, not a judicial question. But when it comes to new demands for orders of expulsion, the judges must draw the line.

Expulsion of Chinese from Chinese territory is not allowed by law. The Court, therefore, may not expel Chinese from the Settlement; because the Settlement is still Chinese territory. This is as simple as saying two plus two equal four, and I must refrain from insulting the reader's intelligence by further attempting to explain why the judges of the Court have refused to expel undesirables from the Settlement. They must have realized as well as, if not better than, the people of Shanghai that these culprits are more dangerous to the Chinese than to the foreigners; they must also be as equally anxious as, if not more so, than the Settlement authorities to get rid of these dangerous elements. But they have no power to get rid of them in the way that the foreign authorities have been accustomed to use. They are not empowered by law to do so. It does not follow that if the former Mixed Court expelled people from the Chinese territory against the law of China, therefore the Provisional Court, a recognized Chinese court, may also disregard the Chinese law. It is one thing for the foreign officials to think of such cases in terms of past practices and to give them their diplomatic interpretations, but quite another thing for the Chinese judge sitting on the bench and entrusted with the proper administration of the Law. There is, consequently, neither rhyme nor reason in attacking the judge for refusing to exercise power beyond his limits. His function is to interpret law and not to make it to suit the foreign officials. The remedy, in as much as the foreigners seem to be asking for one, lies with the legislative and not with the judicial branch of the Government. Give the judge authority for expulsion, and the undesirables will be expelled; otherwise, the judge cannot and may not expel them, however anxious he may be to do so. I cannot repeat too often that the Provisional Court is a Chinese court and must apply the Chinese law. It cannot be held responsible to those practices of the Mixed Court which are repugnant to the Chinese law; nor must it consider the prejudices of the foreign officials.

A second charge against the Court is that the judges are too lenient with the offenders. They show "such indulgent sympathy" in the culprits. It is possible that sometimes the sentence may have appeared light and the bail small; but it is also probable that one does not know all facts connected with the case. It may seem ridiculous that an offender charged with stealing $2 worth of beans should be admitted to bail in the sum of $2; but it may interest the reader to know that the principle is to order bail commensurate with the value of the stolen article. At any rate, the fact remains that not all of us are gifted with a judicial mind and a layman treads on dangerous grounds when he assumes the role of the superjudge. Unless, therefore, we are to believe, as, no doubt, the British editor would like to have us believe, that the judge and the offender are related in one way or another, it is difficult to account for such leniency.

One possible explanation offered by the enemy of the Court for such astonishing leniency of the judge is that the Court "is so fearful of the disorderly Red element in the community that no judge dares to impose adequate sentence upon a criminal who breaks the peace—whether with propaganda or an automatic pistol—in the name of nationalism". As a proof of this contention, the case of a Hunanese coolie propagandist "caught inciting mill workers to strike" was cited. The judge remanded the case *sine die*, and the critic of the Court tells us that it meant the judge simply shirked his responsibility. It meant nothing of the kind. The judge in the case remanded it because it did not belong to the class of offenses to which he had been assigned. His action meant that the case would have to be heard by another judge under whose jurisdiction it happened to fall. Certainly, in this case, to suspend judgment *sine die* does not mean a sentence of "a month or six weeks in gaol", as the above-mentioned British editor interprets it for his readers.

Still another charge against the Court is that it is inclined to discount police evidence heavily. In fact, one of the judges even went as far as to suggest to the accused that the Police had used force to make him confess. "If the Police arrest you again, bring a charge against them in this Court and I as judge will give you protection." the judge is quoted to have told the accused, as if that was his only remark on the case. What other observations he had made were omitted. If the reporter had made a complete report, as he should have in conformity with journalistic ethics, instead of picking out a loose sentence in order to suit his own purpose of mud-slinging, most probably the story would not have been told because it would have given the public a none too favorable impression of the Police. I do not mean to cast any reflections upon the efficiency of the Shanghai Municipal Police; for they are generally admitted to be dependable in discharging their duties which have become much more difficult in these extremely troublous times. In view of the sudden influx of both foreigners and Chinese into the Settlement from all points, thus doubly complicating the problem of maintaining peace and order, one should be still more tolerant of any oversight which the Police may have found inevitable. But when foreigners indulge in quoting isolated cases against the Court and accusing the judge of bad faith, of which he could not be possibly guilty, because he had dared to called the Police's attention to their negligence, it seems reasonable and altogether fitting that the judge should return the compliment by making the Police swallow their own pill; for just the same innocent people have suffered at the hands of the Police whether the Police wish them to or not.

If critics of the Court would either be fair with it, or be honest with themselves and keep better informed instead of snatching at isolated cases and jumping to conclusions, the Provisional Court may perhaps be considered a fit object inside the barbed wire, and its judges, creditable administrators of the law. But if they insist upon picking a few loose points here and there and fix the Court on the rack, regardless of what it can achieve, it will always be looked upon as a scarecrow of justice and a rebuke to the Chinese judiciary.

The Court is scarcely four months old. It is being subjected to the severest test ever given any Chinese official organ in point of time and duty. The ability and integrity of its president and judges are not only admitted by the Chinese but also by the foreign critics themselves. While difference of opinions is probably inevitable, the proper attitude towards it should be one of sympathy instead of antagonism. Being a creation of that very imperfect creature called man, it cannot be satisfactory to all. And if the critics still maintain that the whole situation is a mess, and are anxious to get out of it, then it is time for them to realize that circumstances are what renders every civil and political scheme beneficial or obnoxious to mankind, that circumstances at present necessitate a complete and equitable adjustment of all Sino-foreign relationships on the basis of equality and reciprocity, and that until such adjustments have been effected, they have no right to expect satisfactory relations with China.

The agreement for rendition of the Mixed Court has been called a good one. But opinions differ. It must be a subject for discussion at a later time; for revision of the Agreement is bound to take place. But if I can convince one reader of the unreasonableness and foolishness of criticizing the Court because it dares to apply the Chinese law instead of subjecting itself to those illegal and unrecognized practices of the former Mixed Court and respecting the prejudices of the foreign officials, my words will not have been in vain. For if you want to beat a dog, you can always find a cudgel.

Chinese Students in Chicago Protest "Armed Christianity"

"Missionaries ought to go to China at their own risk."

"It's wrong to send warships to enforce Christianity on the Chinese."

"Christianity has no more rights than any other religion."

According to the *Chicago Tribune* these sentiments were shouted by Chinese college students attending the conference on Pan-Pacific relations at the University of Chicago, recently, threatened for a time to break up the meeting. The Chinese, their anger stirred by a discussion of the present crisis in their native country, leaped on chairs and disregarded the chairman's gavel to make known their opinions. The disturbance was finally quieted by students of other races.

OBJECTS OF ORIENTAL AND WESTERN FINE ART CURIOS,
Silk goods, Crockeries, etc.
TOYO MURAKAMI
26B, Kiangse Road (corner Ezra Road)

List of Chinese Internal Loans Outstanding on May 1, 1927

Compiled By E. Kann, Author of "The Currencies of China"

Name of Loan	Issued In	Total Amount Authorized	Total Amount Issued	Oustanding at present	Rate %	Interest Payable	Secured by the	Bonds Issued	Repayment
4th Year National Loan (Additional Issue)*	1923	$ 2,800,000	$ 2,800,000	$ 700,000	6	Apr. 12th Oct. 12th	Rev. of Native Customs & Likin in Shansi	$10,000 $1,000 $100 $50 $10 $5	From 1924 by annual drawings
5th Year National Loan*	1916	$20,000,000	$20,000,000	$ 9,566,210	6	Mar. 31st Sept. 30th	Consolidated National Loans Sinking Fund	$10,000 $1,000 $100§ $10 $5	Within 12 years by half-yearly drawings from 1926.
7th Year Long Term National Loan	1919	$45,000,000	$45,000,000	$45,000,000	6	June. 30th Dec. 31st	Consolidated National Loans Sinking Fund	$10,000 $1,000 $100 $10	Between 1929 and 1938 by half-yearly drawings
Chinese Government 9th Year Short Term Loan‡ for Improvement of the Monetary Market	1920	$60,000,000	$60,000,000	$10,788,200	6	Mar. 31st Sept. 30th	Consolidated National Loans Sinking Fund	$10,000 $1,000 $100 $10 $5 $1	Between 1923 and 1929 by semi-annual drawings
10th Year 96 Million National Loan	1921	$96,000,000	$56,391,300 Y.29,608,700	$56,391,300 Y32,476,200	8	Jan. 31st July. 31st	Salt Surplus	$1,000 $100 $10	Between 1923 and 1929 by half-yearly drawings
Chinese Government Consolidated 6% National Loan	1921	$80,000,000	$54,392,000	$39,162,400	6	June 1st Dec. 1st	Consolidated National Loans Sinking Fund	$10,000 $1,000 $100 $50 $10 $5	Within 10 years from 1921 by yearly drawings
Dtto 2nd Series	1921	$25,600,000	$256,00,000	$25,600,000	6	Jan. 1st July 1st	Not definitely secured	Dtto	Between 1931 and 1935.
Chinese Government Consolidated 7% National Loan	1921	$13,600,000	$13,600,000	$ 9,792,000	7	Feb. 28th Aug. 31st	Consolidated National Loans Sinking Fund	$10,000 $1,000 $100 $10 $5 $1	Between 1921 and 1930 by yearly drawings
Dtto 2nd Series	1921	$ 8,800,000	$ 8,800,000	$ 8,800,000	7	Mar. 31st Nov. 30th	Not definitely secured	Dtto	Between 1931 and 1935.
11th Year Short Term Loan*	1922	$10,000,000	$10,000,000	$ 2,000,000	8	May 31st Nov. 30th	Deferred Russian Boxer Indemnity	$10,000 $1,000 $100	Within 5 years from 1923 by half-yearly drawings of $1,000,000 each.
13th Year Treasury Notes*	1924	$ 4,200,000	$ 4,200,000	$ 1,500,000	8	Mar. 31st Sept. 30th	German Boxer Indemnity	—	In semi-annual instalments 1925-1927.
14th Year National Loan*	1925	$15,000,000	$15,000,000	$15,000,000	8	Mar. 31st Sept. 30th	German Boxer Indemnity	$10,000 $1,000 $100	In semi-annual instalments 1928-1934

*Secured on Customs Revenue.

A Man Who Knows the Chinese Situation

BY ANNE HARD

IF you are good at imagining, surmise what must be the state of mind of John Van Antwerp MacMurray, in this year of confusion, minister of the United States to China. Mr. MacMurray is by career a diplomat. He is also a curiosity. He is a puzzle even to the Chinese. Here is a rather impressive young man who can go into their councils with a profound understanding of the history and the economic problems of China. His amazing research on the subject of likin (Chinese import taxes) is an authority recognized by the other foreign powers and even accepted by the Chinese. Thus they have for him the profound respect which the Mandarin tradition always extends to the learned man.

Then, presto! the diplomatic discussions ended, the distinguished "minister from the United States" suddenly throws off his coat of formality, breaks into his boyish, genial smile and becomes the brilliant "Van" MacMurray Princeton and Washington have known so well.

Nowhere in the world is there so much entertaining going on in social life every day of the week as in China, and nowhere are social duties so obligatory or taken so seriously. Minister MacMurray meets these demands exactly three days out of the seven. The other four days you will find him, office hours over, riding in the western hills with his handsome young wife, hailing the humblest passerby with a cherry wave of the hand.

The Orientals have not yet been able to understand how so great a scholar can step out of his official position so lightly and, having once donned his white linen breeches, assume the role of a light-hearted playboy. The point is that while he is apparently playing light-heartedly he is working out in his own mind the complicated troubles that now harass seething China.

Our American diplomacy is, roughly, easily divisible, like Gaul, into three parts. The first is an area of minor or occasionally of major bureaucrats, who study and become proficient in technical questions of our intercourse and trade in certain geographical regions, such as the Far East, the Near East, western Europe, or Latin America.

With them the emphasis is upon information. Then there is an area inhabited by agreeable, fairly well informed persons, who, while they have a capacity for study, also like much better to dress the diplomatic part. With them the emphasis is more upon social relations than upon technical knowledge.

The first kind do the heavy work in our consulates and legations abroad and fill the rooms around the black-and-white flagged corridors of the State Department in Washington. The second occasionally occupy posts as ministers or they are assistant secretaries of state in Washington.

In the third division are the handful of ministers and ambassadors who have fitted themselves for the highest diplomatic posts by conducting successful dry goods emporiums or otherwise amassing fortunes in their own home towns, or by getting themselves defeated for elective political office. Incidentally, you may have observed that this kind of diplomat frequently turns out to be very good at his new job.

MacMurray is unique in that while he is one of those technical experts of the diplomatic career, he has been chosen as minister to a post of such difficulty that even in ordinary times it is considered in Washington to surpass in importance many of those which hold the higher rank of "ambassador." At the present time, of course, it is one of the most critical posts in our whole system of foreign relations, not only as regards the East, but also with respect to Europe.

It has long been pointed out in Washington that the United States is a Pacific power. Its far-flung fingers lying in Hawaii and Guam and the Philippines and its long coast line washed by its relations with China and Japan are quite as important as its relations with England and the Continent.

This present upheaval in China has only brought to the front a long recognized situation.

The quality of the person who repsesents us in China is of the utmost significance.

We find we have there a man who, it is commonly said, "knows China." The person who makes this statement will rapidly correct himself. "Who knows China," he goes on, "as far as it is possible for any Westerner to know it."

"I don't think much," one of the men who also 'know China' remarked, "of this talk about the profound, unfathomable Eastern mind. But they are unlike us. I can best illustrate the difference between the Chinese mind and the Western mind by pointing out the difference in the way they do their arithmetic. They do it on an abacus.

We do it in pencil on a piece of paper. They can do it as fast as or faster than we can. But what does the difference in method mean?

"It means that when we make a mistake it is registered. We have to admit it and do the sum over again. They slide their wooden buttons along a wire and the mistake, if there is one, is erased when it is corrected. They need never admit it. Once it is corrected it can't be proved. You force a Chinese to say he has made a mistake, and while he may concede it to you, he will never mentally admit it to himself. He will simply go on afterward hating you. He has lost face. It is a profound difference not only of manners and civilization, but of fundamental psychology."

Mr. MacMurray has studied that psychology as well as those manners. He had no more than set his foot upon the trail of diplomacy after being graduated from Princeton and Columbia Law School than he determined to specialize in the slant-eyed races. He left almost at once to be consul general at Bangkok, in Siam.

Ever since he has shuttled between work in the embassy in Peking or Tokio, heading the Far Eastern division in Washington or being assistant secretary of state. There was also one short term of service in the near-Oriental terms of Russia before St. Petersburg had pinkened from Petrograd to Leningrad.

That service for John MacMurray was a studious one. Because of the reputation he had already acquired he was called upon to be expert adviser to our commission during the disarmament conference in Washington and observer for our government at the Chinese-Japanese meeting for the settlement of the Shantung question.

Let there be those to whom "diplomacy" means a white tie and an eighteourse dinner or the gold-laced ceremonies of the "protocols." To MacMurray it means studies—and more studies.

Last summer, for example, he passed his vacation on his own time and at his own expense, in a visit to the Philippines in order to "study" them. He made long and difficult trips into the interior, everywhere acquiring information in another pet field.

Mrs. MacMurray, who is a daughter of Dr. Frank J. Goodnow, president of Johns Hopkins University, accompanied him. For she always takes a keen interest in any specialty of her husband's. Their house in Washington, filled with Chinese furniture and works of art, used to be a little focus of interest for any student of the Far East.

"He knows so much about China," a friend of MacMurray's once remarked, "that I sometimes think he looks Chinese."

His most important contribution to the literature of Chinese relations consists of two terrific volumes, portly, imposing tomes, a mighty compilation of treaties, state papers, private documents, in reference to the "rights and obligations of the Chinese government" and foreign powers from 1894 to 1919. It is work of patient research and careful editing, with no expression of personal opinion or of public philosophy.

This scholar it is, then, who finds himself in the most confused human situation that confronts any of our diplomats abroad today. It would not be surprising if it should be impossible for him to look at it with the same eyes as those of Mr. Porter of Pennsylvania, for example, chairman of the Foreign Affairs Committee of the House. For Mr. Porter carries entirely the eyes of the average citizen.

Mr. Porter is flooded with letters from missionaries and heads of missionary societies in America. Mr. MacMurray also has an opportunity to see those missionaries in China. They are said to belong to two classes—"Bible missionaries" and "political missionaries," who take a hand in the political aspects of Chinese relations.

Under our agreements with China it is only the missionaries who are allowed to go freely into the interior of China. Merchants and others are not allowed to travel about at will. The "Bible missionaries" are not a source of trouble to the American minister. Returning travelers allege that "political missionaries" sometimes are.

There is more difficulty for this scholar of Chinese affairs, apparently, than merely the analysis of a foreign situation. He must not only understand China, but understand Americans—and English and French as well.

Two elements, however, contribute a certain measure of helpfulness to Mr. MacMurray in the present job. One is the confidence of his own government in his abilities and the other is the long-time association and friendship he has had with representatives of other Western powers in China, notably with Miles Lampson, the British minister.

(*Continued on page 228*)

More Cartoonists' Ideas on the China Situation

THE SHACKLES BROKEN

CHINA: "Now I am free and can do what I like."
THE BRITISH LION: "Except what *I* don't like."

From *Hindi Punch* (Bombay, India)

THE PLEASANT LITTLE GAME OF SEESAW AS PLAYED IN CHINA

From *Le Rire* (Paris, France)

[While the Russian and the Briton struggle for domination, it is the Chinaman who suffers]

WHO'S WHO IN CHINA

—Cargill for the Central Press Association.

The above cartoon which is from *News of the World*, London, was headed, "As Usual, John Bull Does All The Work," and contained the explanatory statement that America and Japan enjoy the advantages of British protective measures without the trade handicaps which the Chinese have imposed upon Great Britain.

(Continued from page 226)

Moreover, he is helped by his own great liking for China and for things Chinese. In Peking he lives in the square-built house of granite owned by our government and built, Americans think, by one of those Treasury architects who turn out the universal American postoffice. Its exterior is entirely of that architecture. Its interior has a little of the ancient Chinese sense of beauty.

There Mr. MacMurray continues his researches, varied in less critical times with occasional week ends in the mountains with gun or trips to the marshes for snipe. He rides, though, more to think than to play, but he is not one of those who ride in polo matches.

He is, nevertheless, a finely set-up young man in the early forties, with a boyish manner and a clear, fine eye.

When he was last in Washington as head of Far Eastern affairs, and then as assistant secretary of state, his house was the meeting place for small delightful dinners of the kind appropriate to a scholar and a gentleman. In Peking, one hears, he manages the official side of his position with taste and discretion.

One fancies he accepts all that sort of thing as a not unmixed blessing. For his real life is his studies. He is, above all, a realistic student, and no one has a more scientific approach to his subject than he.

But American foreign relations are not, under our plan of government, to be so scientifically handled. The State Department, basing its opinion upon our experts' reports, must bring its view more clearly before the American public than ever before. It would do well to print some of the material it has on file which is known in the State Department but marked "confidential." It must show the simple man in the street the reasons underlying the pronouncements of our secretary of state.

Otherwise the clear-minded and experienced Mr. MacMurray will be wasted so far as public opinion is concerned. And public opinion matters on the Hill in Washington.

Those who know Mr. MacMurray's qualifications for his post have an enormous amount of confidence in the reports he is sending back to Washington.

They believe that this curious combination of expert and diplomat may be doing much right now to solve the riddle of China.—*Arkansas Gazette.*

Large Numbers of Foreigners Live in French Concession

The following figures are from the census of the French Concession, taken in October, 1925:

Foreign Community.

Masculine Sex-Above 15 yrs		2925
Below 15 yrs		1208
Feminine Sex-Above 15 yrs		2322
Below 15 yrs		1356
Total		7811

Nationalities.

French	892	Hungarians	4
German	270	Italian	94
American	1151	Japanese	176
British	2312	Letts	21
Argentine	1	Norwegians	32
Armenian	16	Persians	16
Austrian	20	Peruvians	5
Belgian	57	Poles	47
Brazilian	17	Portuguese	115
Bulgarian	1	Roumanians	15
Danish	151	Russians	1403
Spanish	19	Serbians	5
Esthonian	16	Swedes	46
Finlanders	8	Swiss	76
Greeks	38	Syrians	10
Dutch	96	Czecho-Slovaks	15
		Tonkinese	666
		Total....	7811

Chinese Community.

Masculine Sex. Above 15 yrs		67,223
Below 15 yrs		19,215
Feminine Sex. Above 15 yrs		41,982
Below 15 yas		36,211
In Service of Europeans-Men		4,895
Women		1,135
Total		170,691
Plus Native Population on river		7,100
Transient Natives		10,200
Total		187,991

The Significance of the Labor Movement

BY PAUL K. WHANG

THE common saying that the Chinese laborers are very submissive turns out to be a myth. They realize that if they are to free themselves from the yoke of capitalism, it behooves them to unite themselves so as to be able to safeguard their interest, thus facing the capitalists collectively instead of individually. Hitherto, the capitalists have never been faced with any difficulties in dealing with the labor elements, and in case of strikes they have always had the upper hand, inasmuch as the laborers as a class have never been backed up by the government, which has invariably taken sides with the capitalists. Without protection of any sort, the labor is exposed to exploitation by the capitalists, whose minds are chiefly engrossed with money-making. It is neither philanthropic nor humanitarian to state that every laborer is entitled to a living wage, which should be big enough to provide for him and his family all the necessities that are indispensable to make a decent living, not to mention one or two luxuries which might add comfort to the soul and sweeten the monotonous life of the overworked people. Those observers who have made a careful study of the status of labor will readily strike a note to the effect that something must be done to alleviate their sufferings, and that any delay in action on the part of the capitalists will eventually bring forth the class struggle, which is still unknown to our country. As a matter of course, we might be safe in concluding that the present labor movement has grown naturally; when the capitalists have sowed the winds, they will reap the whirlwind.

Our oldtimers have repeatedly assured us that twenty years ago the wage-earners could easily support their families with a monthly wage of seven or eight dollars. But these good old days are gone. The world at large, within a brief span of two decades, has undergone many a change, the most notable of which is that the price of every commodity has been increased four or five times. Today the people of the lower classes can hardly provide their families a decent living with a wage twice as big as their fellow-workers received twenty years ago. A general investigation of all the industries reveals the fact that the prevailing scale of wage ranges from twelve to twenty-five dollars a month. This tends to point out that the present wage-earners receive a wage three or four times as much as they received twenty years ago, but nevertheless the increase in wages has not answered the increased cost of living. In the silk industry, the girls of the first grade receive a monthly wage from fifteen to eighteen dollars. This is deemed very good pay among the female workers, as the male workers of many industries do not receive as much. The government, for some reasons or other, has never given a thought to protecting labor by passing such regulations as the woman and child labor laws, laws specifying working hours and minimun wages, and the hundred and one other stipulations which other countries have adopted for years. The greed and self-aggrandizement of the capitalists have exploited the laborers, while the indifference and aloofness of the government have aggravated their wretchedness.

On the other hand, it savors of partiality to lay all the blame upon the capitalists, who, as a matter of fact, have not seen bright days for years. Since the Revolution of 1912, commerce and industry have been practically brought to a standstill, owing to the continuation of warfare; many factories have been reported on the verge of bankruptcy, while many others have not been in a position to declare dividends for years. The growth of the cotton industry was only ephemeral, and since 1920 many cotton mills have been either closed down or have passed into the hands of foreigners; and the silk industry has not recovered from the catastrophe of 1924. For the past few years, the people would rather deposit their money in banks with a regular rate of interest than promote new industrial enterprises. Such a tendency has a great bearing upon the growth of industry. As a rule, China's handful of industries with their small capitalization has never been ready at any time to weather financial storms, and at a time of business crisis the government has never lent a hand to offer any financial help.

Some economists attribute the cause of our cheap labor to the density of population, and repeatedly assure us that price of labor not unlike that of other commodities, is determined by the law of supply and demand. With the country still in an agricultural stage and, coupled with the fact that the large mass of people has been left unemployed, the only way to better the living conditions of the working

(Continued on page 230)

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(*Continued from page 228*)

people is to promote more industries. But under present conditions, to industrialize China is a matter of impossibility; the succession of warfare and the existence of the fixed low tariffs all contribute to hamper the growth of infant industries. This is another factor which we should not lose sight of in solving the labor problem.

With the advent of the Nationalist forces in Kiangsu and Chekiang, the only industrialized provinces of the country, the wage-earners lost no time in forming labor unions, and formulating drafts of demands. Hundreds of labor unions have been formed over-night either on the basis of trade or on industry; and in controlling these labor unions, a general labor union has been created in every city. The demands made by various labor unions are many in number, differing not in principles but in details. The principal demands are to increase the wage payments by 50 to 80 per cent, and to shorten the working hours to ten and in some cases to eight. They also unanimously demand that the laborers should have the right to form labor unions, and that the management should under no condition discharge the laborer without first getting the consent of the labor union to which the said laborer belongs. In view of present business conditions, I can not help concluding that these demands are too much for the capitalists to accept without any modifications.

It is regrettable to relate that the present labor movement, in every respect, has been conducted by the irresponsible and radical elements, who in the name of labor unions raise the money from the working people for their own purpose, utilizing the labor elements as their tools to further their own interests, and worst of all, forcing the industrialists to close down their factories, thus bringing the working forces to the verge of starvation. The general labor unions at Shanghai, Hangchow, Huchow, Soochow and Wusih are most notorious. Before their dissolution, they propagated radical ideas among the laborers, prompted them to go on strike, and finally forced the factory-managers to accept their demands under duress. In some cases, they have even gone so far as to kidnap the managers and detain them at the union camps for the purpose of enforcing their demands. Furthermore, we have been told that during the strikes factory properties have been destroyed by the mobs, and employers beaten. On the surface the leaders seemed to be aiding the laborers to get their just share, but, in reality, they strangle the industries and throw the workers out of employment. Such outrages have long been looked upon by the sympathisers of Nationalism as a menace to the peace and order of the community and a curse to the cause of the Nationalist movement.

Fortunately, the more conservative of the Nationalist chiefs, realizing the fact that the present labor unions in most cases are manipulated by self-centered radicals, have promptly averted the crisis by dissolving the general labor unions. This timely action quickly won confidence and praise from the well-wishers of the Nationalist movement, and besides is generally regarded as a milestone in the work of rehabilitation. It is needless to say that all the agreements signed under duress should be declared null and void, and in their place new agreements should be made through a due process of negotiation and arbitration. It is high time to install such an organization as a "Board of Arbitration" with due representation of all parties concerned. Henceforth, all differences which can not be patched up by the joint conference of the laborers and capitalists should be settled by the Board of Arbitration with the government acting in the role of arbitrator.

In conclusion, I must reiterate that the interrelationship of labor and capital should be recognized in the process of production, and that to better the lot of labor will be in no sense to impair the interest of capital. The common allegation that an increase in wages can easily be covered by raising the selling price of the product bears no truth at all. As a rule the price of many products follows the world market and raw silk is one of the examples. In the case of raw silk, competition between China and Japan is very keen; if the price of China silk is increased by one hundred taels, while that of Japan remains the same, demands for China silk will fall to nil. Moreover, China is a country possessing no protective tariffs, and her market has been all the time overflooded with cheap foreign goods. The Chinese industrialists have met many reverses in trying to meet foreign competition. Those who compare the lot of American labor with that of Chinese sadly fail to realize the difference in the economic conditions of the two countries. If we admire the well-being of the American working people, we must work hard to unify our country, to devise our own tariff policies, and to expand our old industries and promote new ones.

The Silk Filature and Cocoon Guild Shanghai, China
April 19, 1927.

Foreign Interests in China

BY. GEO. W. MISSEMER

Foreign Rights and Interests in China, by Westel W. Willoughby, Vol II. Baltimore: The Johns Hopkins Press, 1926.

THE second volume of "Foreign Rights and Interests in China," by Westel W. Willoughby, has just been issued, and it is, if anything, more important and valuable than the first volume. Mr. Willoughby is Professor of Political Science at the Johns Hopkins University, Baltimore, Md., and has gained an intimate knowledge of Chinese affairs through having been legal advisor to the Chinese Republic in 1916-1917, technical expert to the Chinese delegation to the Washington Conference, and counsellor and expert to the Chinese delegation to the International Opium Conferences at Geneva.

Many important matters are discussed in this volume of 683 pages, but none is more interesting than the last chapter on Opium. The foreign opium trade in China is now legally at an end, but it is a well-known fact that opium smoking is still very prevalent in the country, not only large quantities of the drug being raised in the country itself, but a huge business being done in the foreign drug by smugglers.

The story of how the Indian opium trade grew to tremendous proportions in China and how it was eventually brought to an end, with the Shanghai opium merchants making a huge profit from the surplus stocks after the import was prohibited in 1917 as the result of the treaty signed between China and Britain, has often been told, and there is nothing to be gained by repeating it here. The point to be noted, however, is that in the treaty of Nanking opium was not mentioned, and the opium that came into the country from 1843 to 1858 came as it comes now—it was smuggled, and in ever-increasing quantities. The Chinese government refused to make any arrangement to allow its import until after fifteen years of solicitation, it agreed to put it on the tariff list. The rate of duty fixed was thirty taels per chest which, as one writer points out, was a less rate of duty than England levied on Chinese silks and teas.

Of much more importance than the question of the status of opium in relation to China in years gone by is the subject of what the situation is today. Sympathy for China is to a certain extent dulled by the fact that great quantities of opium are being grown in the country itself, but doubtless China, like most countries or people, prefers to go to the devil in its own way; and whatever iniquities may be incidental to China's handling of the opium question, the Chinese people as a whole resent just as much that foreign opium is smuggled into China as the great mass of Americans resent the fact that whisky is being smuggled from foreign countries into the United States.

Mr. Willoughby makes it clear what the situation as regards opium in the world today is. India is progressively reducing the export of the drug except for purely medicinal purposes. The last export of Indian opium for general use is scheduled to take place in 1935, the fifteen year period inaugurated last year then coming to a close. In dealing with opium, legislation always distinguishes between raw opium, and prepared opium—the latter being the form in which it is smoked and the one that particularly concerns China.

It will be interesting to recall China's connection with the opium conferences at Geneva, assembled during the latter part of 1924 at the call of the advisory committee of the League of Nations. There were two conferences, the first dealing with smoking opium being the one which particularly concerned China. It is to be borne in mind that opium smoking still continues to be legalized by the British in Hongkong, North Borneo, and other Far Eastern possessions, by the Portuguese in Macao, by the Dutch in the East Indies, by the Japanese in Formosa, by the French in Indo-China and by the Siamese.

Now, although in China opium growing and opium smoking are prohibited by law, China was nevertheless invited to the Geneva Conference because of the enormous numbers of Chinese living in the foreign possessions in which opium smoking is allowed. When the Geneva Conference got down to work, China (and America) found themselves on one side of the subject and the other Powers interested in the opium question on the other. The fact that in China opium was being grown in large quantities was continually thrown in the face of the Chinese delegates and the Powers claimed that Chinese opium was being smuggled into their territories thus making it difficult for them to control their own legitimate trade. The Chinese delegates reiterated that it would be the policy of China to prohibit opium growing and that the present recrudescence was only temporary owing to the disturbed state of the country.

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Pursuant to an Order of said Court, notice is hereby given to all persons having claims against the estate of THOMAS FRANCIS DOYLE, deceased, to present the same with vouchers to the undersigned, on or before October 30th, 1927, and all persons owing debts to said deceased are hereby notified to make payment of the same in due course to the undersigned.

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When it came down to actual legislation the Powers listed China together with Turkey, Persia, Egypt and Serbia, in the category of countries in which they stipulated that the production and exportation of opium should be brought under such effective control that the contraband trade would no longer constitute a serious obstacle to the reduction of the legalized use of the drug in its prepared form, before they would agree to put an end to the legalized traffic in smoking opium in there own jurisdictions—and then only fifteen years after the above stipulated stage has been arrived at. The Chinese thereupon withdrew from the Conference.

Let us now look over some of the other subjects discussed by Mr. Willoughby in his book. Such subjects as Missionary Rights in China, Foreign Merchants in China, Foreign Troops in China and Extraterritoriality are particularly pertinent at the present time.

American missionaries in China derive their status from Art. 29 of the treaty of 1858 between China and America. It says: "The principles of the Christian religion as professed by the Protestant and Roman Catholic Churches, are recognized as teaching men to do good, and to do to others as they would have others do to them. Hereafter those who quietly profess and teach these doctrines shall not be harassed or persecuted on account of their faith. Any persons, whether citizens of the United States or Chinese converts, who, according to these tenets, teach and practice the principles of Christianity, shall in no case be interfered with or molested."

This, it will be noted, did not give any explicit right for the missionaries to acquire land or buildings. This was definitely provided for by the treaty of 1903. Up until that time it was a fairly common custom among missionaries in the interior to take legal title to the lands in the name of Chinese converts, who held them in trust for the missionary society—in other words just a reversal of the practice here in Shanghai where foreigners hold the legal title and give deeds of trust to the actual Chinese owners.

The status of foreign merchants in China is closely bound up with the Chinese customs administration and the subject of extraterritoriality. Generally speaking, foreign merchants have made no particular effort to establish themselves at other than treaty ports, the principal reason being that it paid them better end was more convenient to make their contacts with the Chinese at the treaty ports, and leave to the Chinese traders the handling of the almost innumerable petty details incidental to moving the goods into the interior.

The principal thing that foreign merchants in China have fought for during all these years is to secure that their products shall be taxed as little as possible. China has in some respects been unfortunate. Although it was the intention of the treaty made eighty years ago that imports into China should generally pay five per cent, various things have happened during all the intervening years to make the actual amount collected considerably less. Of course, China might have simply said, all right, let everything pay five per cent on invoice value and let it go at that. But China was suspicious and endeavored to have a fixed rate of duty placed on specific articles so that it might not be defrauded of revenue by importers presenting false invoices. At the various conferences that were held to revise the tariff something usually turned up that militated against China's aspirations being attained. The last Conference at Peking in 1926 was interrupted by the civil war in China. Whether because of the personal danger, or because they felt that in the end China would not get what it wanted, the Chinese delegates left in April, and no further sessions were possible.

The bugbear of Chinese trade has always been the subject of likin, or inter-district taxation. In theory, of course, there is nothing more wrong about one district taxing the goods coming from another district than there is in one country taxing the goods of another country. The difference, however, lies in the fact that such inter-district taxation hurts the country as a whole and prevents the development of industtes and trade. Various schemes have been mooted in past years to have China abolish likin and as a recompense that foreign goods shoud pay additional duties. The situation today is that the Chinese have not waited for any more conferences to be held, they have simply taken the bull by the horns and have begun the collection not only of surtaxes, but have imposed internal taxes particularly directed against foreign goods.

At the moment China is in an uproar, and foreign trade is very much restricted. Just what in the end will come out of it all, no one can foresee, but it is evident that unless this matter of taxation and duties in China is brought to a mutually satisfactory point profitable business in China will be all but impossible. However, in the meantime China is straining at the leash to secure customs autonomy and the abolition of extraterritoriality and in due time these things will come. The dispute as between China and most of the foreign interests concerned hinges around the one word—when?

As regards extrateritoriality, Mr. Willoughby's views have progressed somewhat since Vol. 1 of his book, was written. At that time the suggestion was made that joint courts with foreign and Chinese judges might be established, the number of foreign judges gradually being reduced. Mr. Willoughby says the nationalistic movement has in the meantime made such progress that his views have changed. He outlined a more advanced scheme at the Conference on Chinese-American relations, held in September 1925, at the Johns Hopkins University. Among the suggested plans is that which is followed in Siam, namely "evocation," which means that if there is any question as to the justice which has been provided or is to be provided in the courts of the country, the cases in which Americans have an interest may, by a written evocation on the part of the American government, be removed from those courts to an American court.

Among the numerous other subjects treated in Mr. Willoughby's book that on Foreign Troops in China particularly attracts the eye at the present time, although the presence of American and other armed forces in Shanghai is a matter quite apart from the subject discussed. The foreign troops referred to are those provided for by the Boxer Protocol of 1901. One of the provisions of this Protocol is that railway communication must be kept open between Peking and the sea, foreign troops being stationed at various points to see that this provision is complied with. In 1926, as a result of Chinese military operations, railway communication between Peking and Tientsin was frequently cut, and these interruptions became so frequent that the American Minister, at the request of the Protocol Powers, sent a note of protest to the Chinese Minister of Foreign Affairs. Make "Foreign Rights and Interests in China" is almost indispensable to any one who wishes to have a horough understanding of the situation covered by the title of the book.

Business Opportunities

The American Consulate General in Shanghai has received the following trade enquiries:

Toiletware.—A Massachusetts firm desires to place its high grade toilet articles on the Shanghai market.

Instrument For The Hard of Hearing.—A New York firm desires to secure an exclusive agent in Shanghai for the sale of its product, an instrument for the hard of hearing.

Gasoline and Oil Barrel Pumps.—A Pennsylvania firm manufacturing the above products, desires a Shanghai representative.

Driving Lights.—A Chicago firm desires a Shanghai representative to handle its products, motor car driving light.

Motor Car Batteries and Tires.—An Ohio firm desires a local representative. (File No. 866. 16.)

The following inquiries have been received by the Chamber of Commerce:

Scrap Metals and Roofing Paper.—The Southern California Waste Materials Inc., Los Angeles, are interested in securing names of firms in Shanghai desirious of purchasing scrap metals of all kinds, also roofing and building paper.

Pottery and Porcelain Machinery.—The Patterson Foundry and Machine Co., East Liverpool, Ohio, are desirous of selling their complete line of pottery and porcelain machinery in China, such as throwing wheels, pug mills, grinders, etc. Manufacturers of paints, inks, varnishes and enamels will also find their line of interest.

Automobile Accessories.—Otter Manufacturing Co, Inc., 62 Ninth Ave, New York. N. Y., are anxious to secure a local sales representative to handle their line of auto accessories and replacement parts. They desire the services of a firm or individual active at this time as a manufacturer's agent. Catalogue on hand for those interested.

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(155)

American Sales To China Increased in 1926

BY GEO. W. MISSEMER

THE old saying that China in reference to foreign trade is like a sponge is confirmed by statistics of American trade in China during 1926. A sponge in the water when squeezed discharges water—when the pressure is released it sucks up the water again. That is the way with trade in China. If there is a disturbance in one district there are probably fifty other districts where it is quiet. And the fifty districts will buy even though the one disturbed district does not. Besides, in the disturbed district, trade revives slowly but surely as soon as the disturbances have disappeared.

Statistics published in *Commerce Reports* March 7 show that the trade in China last year exceeded general expectations. There was a substantial increase in the purchase by Chinese of American products despite the incidence of political disturbances, and despite the fact that towards the end of the year a sharp fall in the price of silver militated against business. There was a twelve per cent, increase in the sale of American products in China in 1926 as compared with 1925. The total sales to China proper amounted to gold $110,205,000, to which are to be added $12,819,000, the value of American goods shipped to Hongkong, and $6,466,000 to the Japanese leased territory of Kuantung (South Manchuria).

Although there were gains generally, for some reason or other there was a considerable drop in the sale of American illuminating oil to China last year. Under ordinary circumstances, China is America's best customer for this product but owing to a drop of 11 per cent in the sale last year, as compared with 1925 when $'11,189,053 in bulk and $6,371,765 in containers was shipped to this country, China has now dropped to second place, Brazil taking the lead as America's best customer.

The articles of which America sold more to China in 1926 than in 1925 included raw cotton, cigarettes, lumber, machinery, wheat and flour.

Attention was called in a recent article to the fact that China sells considerably more to America than America sells to China. This statement also applies to the trade figures for 1926, just made available, despite the fact that owing to the difficulties of securing raw products from the interior during many parts of the year, particularly in South China, China sold to America last year ten per cent less than in the previous year. Part of this drop is accounted for by the dislocation of shipping facilities from Hongkong during several months. Nevertheless the sale of Chinese products to the United States totalled last year $172,664,000 as against America's sales to China (with Kwantung and Hong Kong included) of $129,490,000. Bear in mind that as regards these totals the former represents an increase of 11 per cent in American sales and the latter a decrease of 10 per cent in American purchases.

And what will the result this year be ? Probably when the figures are published it will be seen that within about ten per cent one way or the other the trade will be what it was this year. There is, of course, a distinction to be drawn between the business that is done by Americans resident in China and American trade as a whole. The fate of many an American agency which came into this territory since the world war was that the immediate profits to be made by the local office were not sufficient to continue it with the incidental high overhead. In numerous cases the agencies were then handed over to some of the modern Chinese importing houses, who, while they may not have pushed the sales quite as energetically as their American predecessors did, are making a much better showing when one compares the total sales with the expenses of securing them.

The present semi-warlike tense situation in Shanghai and other treaty ports in China is accentuating this tendency to have local offices for various American products, staffed or managed by Americans, close their doors and hand over the agencies to some Chinese business house, which will add them to the string they already have.

The majority of the more important American agencies in Shanghai are held by the say half a dozen large firms. In recent years there had been a tendency for some of the manufacturers in America to fall away from the larger houses and give their agency to some young man who would start an office of his own, with a few kindred lines. In normal times with a fairly steady volume of enquiries coming in, this new arrangement brought in more business than when the agency was held by a large house, where it was almost lost in the shuffle. A young man with only a few lines to work was able to give his agency more individual intensive attention.

The weakness of the one-man office idea is brought out when a slump such as exists at present comes. The "little fellow" has neither enough money nor enough credit to keep on paying overhead with nothing coming in. So, after struggling a few months, not a few of them decide to give up the struggle. This frequently will mean that the agencies that they held will be turned over to Chinese.

News from South China

The Extraordinary Commission now taking charge of Canton affairs consists of five members, including General Li Tsai-hsin, Officer Commanding the Troops in Kwangtung; Mr. Koo Ying-fang, a member of the Supervisory Committee of the Kuomintang and sometime an official in the Canton Provincial Administration; General Li Fuhlin, commanding the 5th Kuomintang Army; Mr. Chen Fu-muh, Commissioner of Labor and Agriculture; and Mr. Tang Yin-hua, Chief of Canton Police.

The Extraordinary Commission is not giving "face" to the family of the late Dr. Sun Yat-sen, by whose invitation the "Red" Soviets like M. Borodin and other "comrades" first came to Canton early 1922. Mr. T. V. Soong, a brother of Madame Sun Yat-sen, has been dismissed from all loca, offices, including the portfolio of Finance of the Kuomintang. the commissionership of Kwangtung Provincial Finance, and the managing-directorship of the Kuomintang Central Bandl Mr. Soong is himself in Hankow, but his chief private secretary in Canton who has been acting for him is being detained, while Dr. Kung Hsiang-hsi, Mr. Soong's brother-in-law and acting Kwangtung Provincial Commissioner, has made good his escape several days before the *coup*. Mr. Koo Ying Fang and Mr. Huang Lung-seng will share the duties formerly undertaken in Mr. Soong's name. This action of the Extraordinary Commission is being interpreted by the Chinese as branding Mr. Soong a "Red". By dismissing Mr. Sun Fo, son of the late Dr. Sun Yat-sen, from his posts in Canton without his previous consent is also regarded as a reprimand for his unwise dependence on M. Borodin for power in the Kuomintang Party.

To prevent further persecution, by the once oppressed minority in the labor movement and the harassed merchants, of the many known professional labor leaders whose tyranny has been responsible for the ruin of many lines of trade and the closing of many hospitals and schools, the Extraordinary Commission will no longer tolerate the search, arrest on the spot, and assault on former "Red" labor unions and members. Hundreds of unlawful assaults on defenceless "Reds" have been made, according to complaints received by those who believe that such revenge is unwise while excusable under the circumstances. Many believe that the faction who have used the "Reds" and the thoughtless workers for political purposes and selfish glory and power are not by any means "down and out" and may some day return and also that the best policy to follow will be the education of the workers through the "Red" method of popular demonstrations and slogans but in accordance with principles of good and responsible citizenship, instead of anti-foreign hatred and anti-imperialist attacks based on malice and aimed on destruction.

The Extraordinary Commission in Canton has appointed a new division of publicity and also abolished the Educational Commission which has been causing all the troubles to the foreign managed and Missionary and Christian schools. Consequent to the suppression of the "Red" movement in Canton for a time, the proposal to transfer the classes of Canton Christian College to Macao may be dropped from further consideration by those interested.

Following the Military and Police suppression of the "Reds" by ousting them from political and labor offices, many schools, societies, and labor unions have begun to take similar action. Many organization officials are being advised to resign, while the Extraordinary Commission is giving all "Reds" notice to rescind their membership within ten days.

The ousting of many "Red" workers from the services of the locomotive and works departments of the Chinese Section of the Canton-Kowloon Railroad and those of the Canton-Samshui, Canton-Hankow (Kwangtung Section), the Sunning, and others has not affected the traffic problem. The Canton Mechanics Union, "anti-Red" throughout the labor troubles of the last two years, has fulfilled all the vacancies left.

It is being proposed in Canton among the less extreme leaders in Kuomintang to only imprison the more vicious agitators among the "Reds" caught, allowing the rest to go free after an inquiry.

Canton, March 20,1927.

Who's Who in China

General Chin Yun-ao
靳雲鶚字翼青

General Chin Yun-ao, younger brother of General Chin Yun-peng, former Premier, was born in Chiningfu, Shantung province in 1873. He was graduated from the Peiyang Military Academy and upon his graduation he was appointed a general of the 8th Mixed Brigade of the Central Government in 1920. He assisted General Feng Yu-hsiang and the late General Hu Chin-i in defeating General Chao Ti, who was then Tuchun of Honan. Later he became one of the chief subordinates of Marshal Wu Pei-fu. In 1923 he was promoted to be a general of the 14th Division of the Central Government. Following defeat in the Chihli-Fengtien war at Shanhaikuan in 1924, General Chin and Marshal Wu went to Hankow. In 1925 he joined with Marshal Sun Chuan-fang to attack the Fengtien-Shantung forces, and later he joined with General Chang Chung-chang to defeat General Yao Wei-chun in Honan. In February 1926 General Chin occupied Kaifengfu. Marshal Wu then appointed him Vice Commander of the Allied Army against the Southerners. On suspicion of alleged negotiations with the Southerners, General Chin was dismissed by Marshal Wu Pei-fu in May, but he was recalled following the Honan-Hupeh war. He was defeated and went back to Chengchow, Honan province, Marshal Wu appointing him commander-in-chief of the front battle line. In December he was again dismissed by Wu for delaying his Army and not advancing against the Southerners. Later General Chin reorganized his troops and joined with General Kao Ju-tung and General Wei I-shan to take forcible possession of the southern part of Honan. On recommendation of General Chi Hsi-yuan, General Chin was again recalled to join Marshal Wu and was reappointed to his original position. However, disagreeing with the opinions of Marshal Wu, General Chin definitely joined the Southerners. At the beginning of 1927 he was assisted by General Wei I-shan in resisting the Fengtien force in Honan.

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KIANGWAN ROAD—SHANGHAI

Nanking Versus Hankow

BY J. B. P.

Although Gen. Chiang Kai-shek has been able to establish the skeleton of a government in Nanking as a result of his call for a conference of the conservative elements of the Kuomintang and his denouncement of the Hankow 'Communists' there has not been the popular rallying to the Nanking Government which the Shanghai public was led to expect by the previous announcement. While Gen. Chiang has been able to attract to Nanking a few men of consequence, foreign visitors who have been in Nanking during the week state that most of the Chinese who have flocked to the Kiangsu capital are men of little political consequence, chiefly of the job-hunting class. Probably the most important man who has been appointed to official position in Nanking is Dr. C. C. Wu, son of the late Wu Ting-fang and former Mayor of Canton. Dr. Wu, however, while admitting that he has been offered the position of Minister of Foreign Affairs at Nanking, has not as yet gone to Nanking and as these lines are written is still residing in Shanghai. One rumor has it that, while accepting the post of Foreign Minister, Dr. Wu will not assume office until Eugene Chen, Foreign Minister of the Hankow Government, has reached an understanding with the Powers regarding the Nanking incidents. Another man who has accepted office at Nanking is Koo Ying-feng, who has been appointed Minister of Finance. Koo was formerly chief of the finance department at Canton but has not held office since 1925.

Chiang Kai-shek vs the Communists

Gen. Chiang Kai-shek's political slogan has been, 'Down with the Communists' and it is said that Nanking has been pretty well plastered with posters caricaturing Borodin, the Soviet adviser at Hankow leading a bunch of Chinese dogs, the faces of which are drawn to represent various individuals in the Hankow Government. The Hankow politicians, however, have come back with the statement that Gen. Chiang's denouncemeut of the Communists is nothing more than a 'smoke-screen' to cover the fact that he is trying to establish a new form of military dictatorship which is likely to be little different from the system which existed in Central and South China prior to the Nationalist victories. It is almost impossible for the average foreigner to get at the bottom of the present factional fight in the ranks of the Nationalists, but most of the leaders on both sides say that it was inevitable that this question would come up just as soon as the Nationalists had won their most important military victories, due to the fact that they have spread out faster than they have been able to organize their territories.

The above is a reproduction of the original draft of the Mandate issued by Gen. Chiang Kai-shek impeaching the Hankow Government.

Chiang Opposes Civilian Control

Those members of the Kuomintang whose sympathies are with Hankow declare that the fight was precipitated by the last meeting of the Kuomintang and Nationalist Government in Hankow which Gen. Chiang did not attend, his alleged reason for not attending being that he was busy with the military campaign in Kiangsu and Chekiang. At any rate he didn't attend and in his absence the Kuomintang politicians proceeded to delimit Gen. Chiang's military control, placing him under the authority of a military committee which contained the names of several civilians. Then later on after Gen. Chiang's military forces had occupied the section of Kiangsu south of the Yangtsze, he took definite steps to prevent Hankow from establishing a civilian government here by dissolving all government organs and appointing his own officials. This was particularly true in the case of T. V. Soong, Nationalist Minister of Finance, who has been solely responsible for the financing of Gen. Chiang's military campaign from the beginning of the northern advance from Canton about ten months ago. It is said that Soong has performed wonders in this regard and has advanced to Gen. Chiang approximately $100-000,000, the amount recently being approximately $10,000,000 a month. However when T. V. Soong arrived in Shanghai and started work on the immense problem of reorganizing the finances of Kiangsu and Chekiang, Gen. Chiang immediately began to interfere by appointing his own men to the various offices. Gen. Chiang's alleged reasons for objecting was that Soong insisted upon remitting the funds to Hankow so that they could be distributed through the regular channels of the Ministry of Finance. Chiang refused to agree to this on the grounds that Hankow was trying to control him, so the fight was on, finally culminating in Gen. Chiang's making his own loans here from the Chinese bankers without reference to Soong, the Minister of Finance of the recognized Nationalist Government.

Gen. Chiang Organizes His Own Finances

When T. V. Soong finally refused to have anything more to do with Gen. Chiang, Gen. Chiang proceeded to organize his own finance bureau in Kiangsu, two members of which are said to be Yu Ya-ching, chairman of the Shanghai District Chamber of Commerce and former chairman of the Chinese Genral Chamber of Commerce, and K. P. Chen, managing director of the Shanghai Commercial and Savings Bank. Recently it has been rumored that Gen. Chiang has been trying to induce Soong to reconsider his decision and resume his functions as Minister of Finance, but Soong is supposed to have have refused.

Northern Advance Delayed

The first result of the split in the ranks of the Kuomintang has been the delaying of the northern advance, which in the long run may be a good thing, for the Kuomintang is now faced with the tremendous problem of demonstrating both to China and to the world that it is a real political entity capable of governing. Wang Ching-wei, chairman of the Nationalist Central Executive Committee, who spent many hours here in conference with Gen. Chiang, is now in Hankow and from present reports has no intention whatever of coming to Nanking to join Gen. Chiang's Government. According to fairly reliable report, Gen. Chiang and Wang Ching-wei agreed while Wang was in Shanghai, for Wang to go to Hankow and arrange for calling another meeting of the Kuomintang and Central Executive Committee and transferrence of the seat of Govenment from Hankow to Nanking. However, before Mr. Wang could get to Hankow, Gen. Chiang went ahead and issued his proclamation of impeachment of the Hankow Government including most of the effective executives of that Government. The result has been that Wang has remained in Hankow and none of the members of the Hankow Government have gone to Nanking. Some of the members of the Kuomintang who are in a more or less neutral position maintain that, had Gen. Chiang not been so hasty, it might have been possible for the conservative members of the Party to get together and induce the Communist Wing or 'C. P.' as it is popularly known to resign in the interest of the Party, but that is all past now and the split has developed.

When one considers possible results, it leads into the fields of pure speculation. There are some members of the Party in Shanghai, a small minority, it must be admitted who, think that it may still be possible to unite the Hankow and Nanking factions, but most of the members believe that the split has gone too deep and that the question of military versus civilian government must be fought out before anything can be done with the Northern campaign.

Men and Events

Credit to the *Literary Digest* was inadvertently omitted in last week's issue of *The Review* for "Chop Suey", page 200.

J. W. Huck, Oriental representative of the Great Northern railway, departed for the United States by the s. s. President Taft April 23.

Mrs. C. E. Couling delivered a lecture on the Patriarch Lu, reputed founder of the Chin Tan Chiao, at the Royal Asiatic Society hall, Shanghai, April 28.

The offices of the British Chamber of Commerce Shanghai and of the China Association will be removed to the North China Daily News Building, 19 The Bund, (third floor) on May 1.

Mr and Mrs. E. C. Lobenstine and family sailed on the s. s. President Taft April 23 for the United States. Mr. Lobenstine is one of the foreign secretaries of the National Christian Council.

Hugo Reiss, who recently resigned as vice president of Andersen, Meyer & Co., sailed by the s. s. Empress of Russia April 23 for a business trip to the United States. He expects to return to China in September.

J. S. Potter, of the Asia Realty Company, sailed on six months' home leave on the President McKinley April 29. He will go first direct to Los Angeles, where he will join Mrs. Potter and children, and later to Pittsburgh and New York.

The Kuomintang at Changsha has confiscated the Y. M. C. A building at Changsha and other Y. M. C. A. property of a total value of G$150,000. Similar action is being taken as regards the Y. M. C. A. property at Hankow, valued at G$200,000.

Mr. and Mrs. R. J. Tozer returned to the United States by the s. s. President Taft April 23. Mr. Tozer has been the representative in Shanghai of the Northern Pacific Railway, but on instructions from the the head office in America the office has been closed.

The Asia Life Insurance Co., whose main offices for the Orient are at 3 Canton road, Shanghai, recently issued its sixth annual statement. This company has almost fourteen million dollars Mex. of insurance in force and has a reserve (American legal standard) of $735,314.53

The National Anti-Opum Association of China recently issued a manifesto against the opium evil, in the course of which it quotes Dr. Sun Yat-sen. The manifesto points out that the existence of the opium evil is in direct contrast to the reconstructive policy of the Kuomintang, "sucking the people's vitality and serving the agressive policy of foreign imperialism."

"Young China" is the title of a brochure just issued containing a series of articles by Lewis Gannett, associate editor of *The Nation* (New York), One of the most interesting articles is on the subject of "Missionaries," concerning whom Mr. Gannett writes: "On the whole they are considerably more liberal-minded than the people who support them at home." Mr. Gannett was in China several years ago making a first-hand study of the situation out here.

The searching of Chinese by the Police and troops at the barriers of the Settlement recently evoked protests to the Municipal Council and to the Commander of the Japanese marines against the indignities to which Chiness women were being subjected as the result of such searching. The members of the Women's Suffrage Association of China in their protest suggested that the searching of women was unnecessary but if women were to be searched this should be done by members of their own sex.

Miss Soumay Tcheng, of whom a biographical sketch was published in *The Review* last week, and who was recently appointed chief judge of the Shanghai District Court, has become involved in the factional fight within the Nationalist Government. Hardly had she assumed office than Mr. Chang Chun-tu, chief justice of the Kiangsu Higher Provincial Court, appointed Mr. Wang Chien to succeed her. Miss Tcheng claims that her dismissal is irregular. Miss Tcheng was also recently appointed by Gen. Chiang Kai-shek a member of one of the committees of the Central Government at Nanking.

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From the Chinese Press

April 19—Chang Tso-ling, being dissatisfied with the slow progress being made by the Ministry of Foreign Affairs in Peking in respect to negotiations with the British for the return of the Tientsin British Concession, has decided to take matters into his own hands and settle the question himself—Sino-Japanese Treaty Conference continues, but owing to the fact that the old treaty expires shortly it was mutually decided to postpone the question for three months. —Wang Ching-wei in Hankow urges the Kuomintang to go back to the principles of Dr. Sun—Chang Tso-ling offers reward of $20,000 for arrest of Gen. Li Ching-lin, formerly trusted general of the Fengtien party, but whom Marshal—Chang now suspects of trying to start a rebellion against him—Upon order of Chiang Kai-shek, his military and police raid and close all union headquarters in Kiangsu, Chekiang, Fukien and Kwangtung—Gen. Chu Pei-tuh, Cantonese General in Kiangsi, goes to Hankow for conference—Gen. Lu Hsiang-ting, lieutenant of Sun Chuan-fang, returns to front from Peking—Celebrations held in Nanking over the removal of the Nationalist Government to Nanking—Gen. Bei Tsing-chi, Cantonese commander at Shanghai and Quo Tai-chi, Commissioner of Foreign Affairs at Shanghai, go to Nanking Conference—British, American, French and Italian Ministers at Peking confer on the Eugene Chen replies to the Powers' Notes on the Nanking incidents—Branches of the Bank of Taiwan close throughout China as a result of bankruptcy of head institution in Japan—Japanese settle trouble at Soochow incidental to closure of cotton mill by agreeing to pay each laborer a month's wages and $6, following which the mill will be closed for the present—Japanese residents withdraw from Soochow—Gen. Baron Tanaka, president of Seiyukai Party in Japan appointed new premier—Bank of Taiwan reported to have 300,000,000 yen of unconvertible notes in circulation in Japan, including 42,000,000 yen in Formosa.

April 20—Fengtien army starts transporting artillery and other war materials to Kalgan in preparation to oppose the attack of the Christian General Feng Yu-hsiang—Ministry of Foreign Affairs in Peking decides to withdraw Tyau Tso-chien, who was previously appointed to negotiate with the British over the Tientsin Concession and to turn the matter over to Chang Tso-ling's delegates to handle—Owing to disturbed conditions in Wenchow, Chekiang, Japanese decide to withdraw their nationals—Strong anti-British feeling prevails in Hoihow, according to Hongkong telegram—Yoshizawa, Japanese Minister in Peking confers with other Powers regarding Notes and, according to *Toho* agency, indicates that he will join with the other Powers in a strong Note; rumored that new Japanese Premier may cause Japan to adopt a stronger policy toward China—Situation becomes acute between Chiang Kai-shek and Hankow factions and rumors of armed break become prevalent—Labor unions and armed pickets create serious situation at Shasi, Hupeh—*Kuo Wen* reports that Gen. Chang Chung-chang has decided to try Mrs. Borodin in a special court and has dispatched Mau King-wei to Peking to see Chang Tso-ling about the matter and also to confer with 'certain' members of the Diplomatic Body—Nationalist Government appoints Gen. Tan Yen-kai and Wang Ching-wei as members of the Military Economic Committee—Hankow Government prohibits Central Bank, Bank of China and Bank of Communications from paying out silver on the allegation that Chiang Kai-shek is withdrawing silver to Shanghai—Hankow Government claims that new Central Bank has over-issued notes—Mass meeting at Shanghai under supervision of Cantonese military denounces Hankow communists and passes resolutions calling for celebration of removal of Nationalist Government to Nanking; that Chiang continue Northern campaign; that Hankow 'Communists' be arrested; that Borodin be arrested that FenYu-hsiang be asked to cooperate against Nanking factions.

April 21—Soviet Charge d'Affairs, Chernyck, accompanied by remaining Embassy officials depart from Peking—Owing to fact that Mukden officials are so busy concerned with winding up the Soviet Embassy case and translating the various documents which were seized, they have not had sufficient time to consider the matter of a new government—Gen. Han Lin-chun, Fengtien commander at Chengchow, Honan, goes to Peking to confer with Chang Tso-ling on military affairs—Chang Tso-ling continues to arrest communist suspects in the Peking area—Chiang Kai-shek and Tsai Yun-pei send telegram to Wang Ching-wei to come to Nanking New Nationalist Government in Nanking will occupy premises of former Kiangsu provincial assembly—New Yung-chien appointed as chief secretary of Nat. Government at Nanking, but until he arrives Yeh Tsoo-tsang, former editor of *Republican Daily News* at Shanghai will act —Chiang Kai-shek preparing for early announcement of personnel of Kiangsu Provincial Government—Chang Tso-ling sends Chao Hsing pei as personal representative to Tokyo to congratulate the new Cabinet—*Toho* reports that British Government being dissatisfied regarding Chen's reply to the British Note is planning drastic action—Peking Foreign office replies to Soviet Note stating that it was compelled to carry out the raid on the Soviet Embassy in self-defense as the Embassy was harboring communist agents, hence the Soviet was trying to overthrow the Peking Government—Luikoff of People's Commissariat of U. S. S. R. in speech in Moscow declares that relations between Japan and the Soviet are most satisfactory and that there are no obstacles to strengthening the political ties of the two governments; Luikoff also declares that Borodin has nothing to do with the Soviet Government—Japanese refugees from Upper Yangtsze Ports, Hankow, Yiyang, Ichang and Shashi numbering 208 persons arrive in Shanghai.—City reservoir at Swatow destroyed by peasant troops and large district inundated.

April 22—*Toho* dispatch from Peking states that it will be some time before the Powers are in a position to reply to the Chen Notes the report being that the next Note to the Nationalists will practically amount to an ultimatum—Sino-Japanese treaty negotiations in Peking extended for another period of three months, Chinese declaring that unless the outstanding questions are settled the Chinese will be compelled to 'declare their attitude'—Rumored that Japanese Minister in Peking, Mr. Yoshizawa will be the next Japanese Foreign Minister in the new Cabinet—Japan declares a moratorium owing to the serious financial situation—Five non-commissioned officers and men from the British, Japanese, American, French and Italian Legations in Peking take over the portion of the wall of the Legation Quarter about the Soviet Embassy—*Toho* reports that Chang Tso-ling may apologize to the Japanese over the seizure of the Choan Maru in Tientsin harbor recently, thereby provoking a serious situation—Wang Jung-pao, Chinese Minister to Japan, who has returned to Peking declares in an interview that he does not believe the new Japanese Premier, Baron Tanaka, will make any vital changes in Japan's policy toward China—Further banks close in Japan—Premier Tanaka declares that the new Cabinet will follow a positive policy which the Seiyukai Party as previously advocated, but great care will be taken in the execution; also states that it will be impossible for him to long hold the concurrent post of Minster of Foreign Affairs—*Kuowen* report states that Nationalist troops at Nanking in the course of bombarding Pukow destroyed an armored train belonging to Chang Chung-chang and manned by white Russians—Admiral Yang Shu-chwang leaves Nanking for Shanghai; important figures connected with the Nanking Government include Chiang Kai-shek, Admiral Yang Shu-chwang, Hu Han-ming, Teng Jao-ju,

(*Continued on page VI*)

TRANSLATIONS FROM MODERN CHINESE

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New Books of Interest in the Far East

A Study of Red Russia

Utopia In Chains, Morris Gordin, New York: Houghton Mifflin Company.

The author was born a dreamer. He saw his country, the oppression of the Czar, devoid of any semblence of liberty, and deprived of all advantages of education and refinement. He longed for freedom, and came to America when young, hoping to find liberty in the land of democracy. He joined the socialist group of America and began to work for a revolution on the lines of Kall Marx, his enthusiasm growing with years and his faith in Marxian doctrines becoming stronger and stronger. He worked, and taking advantage of the wonderful opportunities that are offered to a worker in America, he finished his primary education and took up a course in science in the university.

When Russia adopted the Soviet-form state in 1917, a large number of socialists returned to their land to work for the world-revolution under the patronage of the Communist Party of Russia, the author being one of them. He joined the communist party of Russia and became one of the chief men of the party.

What the author saw in Russia and what impressions red Russia produced on the mind of this sincere socialist, and how, becoming disgusted with the whole affair, and shocked to see the absence of liberty, and "hyopocrisy" of the Soviet leaders who showed a complete lack of justice to their opponents, how the author left the Russian Communist Party, is the burden of this interesting book.

The author was appointed chief of one of the sub-departments of the Third International in Moscow. This is what he has to say about the method of moulding the public opinion:

"On every question of policy the Central Committee adopts a 'thesis' in which the main lines are laid down. The thesis is further developed and made concrete by so-called 'instructing reports' delivered orally by a number of experts on the issue concerned. Throughout the party all the speakers must keep within the limits of the official thesis and construct their speeches as a sort of polarization of the 'instructing reports.'

Once the author was attached to a military court-martial as prosecutor. When called upon to prosecute a counter-revolutionary he said, "....I know nothing of the law tricks."

"That is all right" smiled the chairman of the court-martial, "you need to know nothing. You agitate in the court and we will do the shooting."

The County Election Committee to which the author was attached adopted the following measure for election:

"First, brushing aside all bourgeois of constitutional proceedings, it decided that the quota for election should be as follows: one delegate for every hundred workers, for every two hundred soldiers, and for every thirty thousand peasants."

The author says the following about the University of the Peoples of the East in Moscow:

"The object of this school is to train their students for active revolutionary work. All stress is laid on a common readiness of all these elements to set aflame and carry the torch of rebellion "throughout the length and breadth of the colonies and dominions of the capitalist Government." The curriculum comprises a veritable 'Encyclopedia of World Destruction.' The students devote all their energies to the theoretical mastery of the 'revolutionary fine arts' of plotting, bribing, assasinating etc."

In order to know the truth about Soviet Russia the reader must not take the statements made in this book as conclusive until he has read something on the other side of the question written by American writers like John Reed, and others.

H. P. Shastri

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American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity	Sale Price April 21th.	Sale Price April 21th.	Approx. Yield to Maturity April 21th.
Czecho-Slovak Govt. Sinking Fund Loan...	8	Oct. 1, 1952	108¾	108¾	7.25
Czecho Slovak Government Ext. S.F. Loan..	7½	Oct. 1, 1945	105⅝	105⅝	6.95
Republic of Chile S. F. Loan	7	Nov 1, 1942	100½	100	7.00
Argentine Government Ext. S. F. Loan.....	6	May. 1, 1960	99¾	99⅞	6.00
Kingdom of Italy, Ext. S. F. Loan.....	7	Dec. 1, 1951	96¼	96⅛	7.35
Austrian Government S. F. Guaranteed Loan..	7	June 1, 1943	104½	103	6.70
French Government Ext. S. F. Loan.....	8	Sep. 15, 1945	100	109¾	7.05
Japanese Govt. (£)	5	1907/1947	78¼	77½	7.10
German Governments S. F. Loan.....	7	Oct. 1, 1949	107⅜	107⅛	6.35
Deutsche Renten Bank 1st Lien Farm Loan	7	Sept. 15, 1950	102⅜	102½	6.80
Saxon Public Works Inc. 1st Mtge. Guaranteed S. F. Loan....	7	Feb. 1. 1945	103	102¾	6.75
German General Electric Co. S.F. Loan....	7	Jan. 15, 1945	104⅝	105	6.50
Finnish Guaranteed Municipalities S. F. Loan	6½	Oct. 1, 1954	98½	99	6.60
Chicago Rapid Transit 1st. & Refunding Mtge.	6⅛	July 1, 1944	98½	98½	6.65
Northern Ohio Power & Light Co. Debentures .	6½	Jan. 1, 1941	98½	98½	6.65
Cuban Domin. Sugar Co. 1st Lien S. F. Loan...	7½	Nov. 1, 1944	100½	100¾	7.40
Camaguey Sugar Co. 1st. Mtge. S. F. Loan	7	Oct. 15, 1942	100½	102⅜	6.75
Pennsylvania Dixie Cement Corpn. Cumulative	7	Pfd. Stock	100	99½	7.04
Victor Talking Manchine Company Cum. Prior..	7	Pfd. Stock	98	100¼	6.98
Willys Overland Co.....	7	Pfd. Stock	91⅛	91½	7.65

Shanghai Exchange for Week Ending Wednesday, April 27, 1927

By Maitland, Fearon and Brand

Exchange:—Owing to the Easter holidays, we published no circular last week: since the date of last issue, 13th April, the price of Bar Silver in London has declined ⅛d. ready and forward, today's quotations are respectively 26 1/16d. and 25 15/16d. The official T/T rate on London is unchanged at 2/6⅛d. The financial crisis in Japan has naturally effected the Yen, which is quoted as 1/11 5/16d. in London and 47¼d. in New York. Our local Gold dealers have continued to sell Yen which has been responsible for the exchange market keeping steady. The general situation is quieter for the moment but business all round continues still on a very little scale.

The market at the close of today's business is very quiet but fairly steady, with the following rates available:—T/T London 2/6 9/16d., New York 61⅜, Yen 76⅛.

Our stocks of silver are reported as follows:—

Sycee and Bar Silver.....Tls. 79,274,000 an increase of Tls. 734,000

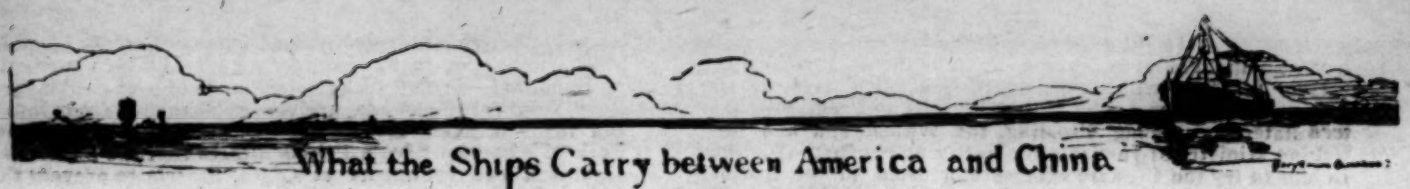
Chinese and Mexican Dollars.....$ 80,470,000 a decrease of $ 1,040,000

Estimated value Tls. 137,212,000 as against Tls. 119,129,000 held at this time last year.

	Average rates for Mar.	Thursday April 14	19	Wednesday April 20	21	Friday April 22	23	Monday April 25	Tues. April 26	Wed. April 27
Bank's selling rates		*opening* *closing*		*opening* *closing*		*opening* *closing*		*opening* *closing*	*opening* *closing*	*opening* *closing*
T/T London	2/5.519	2/6 2/6		2/6½ 2/6½		2/6½ 2/6½		2/6½	2/6¼	2/6¼
		2/6 1/16				2/6 9/16				
D/Dfts ,,	—	2/6 1/16		2/6 1/16		2/6 9/16		2/6 5/16	2/6 5/16	2/6 5/16
4 m/s ,,	—	2/6¼		2/6 5/16		2/6¾ 2/6¾		2/6½	2/6½	2/6½
		2/6¼		2/6¾ 2/6½						
T/T India	163 991	167½		170¼	169	170⅛	170¼	169	169	169
		167½								
T/T France	1.525 556	1550	1550	1575	1560	1575	1575	1560	1560	1560
T/T N. Y.	59.782	60⅜	60⅜	61⅜	61½	61⅜	61⅜	61¼	61¼	61¼
T/T Hamburg		256	256	260	258	260	260	258	258	258
T/T H'kong	81.019	80⅜	80⅜	80⅝	80⅝	80⅝	80⅝	80⅝	80⅝	80⅝
T/T Japan	82.356	80½	80	78¾	79¼	78¼	77	77½	77¼	77½
T/T Batavia	148.611	150¾	150¾	153½	152½	153⅜	153½	152¼	152½	152¼
T/T Straits	94.278	92⅜	92⅜	91	92	91	91	92	92	92
Bk's buying rates										
4 m/s B/L. } Cred. D/A }	2/7.519	2/8	2/8	2/8⅛	2/8⅛	2/8⅛ 2/8⅛		2/8¼	2/8¼	2/8¼
4 m/s ,, D/P	—	2/8⅛	2/8⅛	2/8 7/16	2/8⅜	2/8 5/16	2/8 5/16	2/8⅜	2/8⅜	2/8⅜
6 m/s ,, B/L Cred D/A	2/7.831	2/8 5/16		2/8 7/16		2/8 13/16		2/8 9/16	2/8 9/16	2/8 9/16
		2/8 5/16		2/8 9/16		2/8 13/16				
4 m/s B/F Cred D/A } or D/P }	1.655.556	1680	1680	1705	1690	1705	1705	1690	1690	1690
4 m/s N.Y.Lc.	63.282	64½	64¼	65¼	64⅜	65¼	65⅛	64⅜	64⅜	64⅜
4 m/s ,, Docs	—	64⅛	64⅜	65⅜	65⅛	65⅜	65⅛	64½	65⅛	65¼

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling Bullion.	Apl. 14	Apl. 19	Apl. 20	Apl. 21	Apl. 22	Apl. 23	Apl. 25	Apl. 26	Apl. 27
*London Price of Bar Silver per oz. (English Standard 925 touch)...Pence									
**New York Price of Bar Silver per oz. (Pure)	26	26	26¼	26 3/16	26 2/16	26½	26	25⅞	26 1/16
Shanghai Price of Gold Bars (weight Tls. 10 (Chanping) 978 touch).....	G.$56¼	56⅞	56⅝	56½	56½	56½	56¼	56	56
Shanghai Silver Bars (weight Tls. 100(C.)999 touch)	384.50	372.00	376.00	368.50	370.00	369.40	373.20	370.90	471.20
Shanghai Mexican Dollars per $100.....	111.0	111.0	111.00	111.00	111.00	111.00	111.00	111.00	111.00
Native Bank Rate of Interest (Call money)	73.1875	73.1875	73.1875	73.1875	73.10	73.1875	74.25	73.1875	73.40
*Closing Price in Lond on for Previous day	1%	2%	1%	Nil	1%	Nil	1%	Nil	Nil
**Closing Price in New York for Previous day									

Bank of England rate of discount	4½%	London Paris on	T/T 123.92
Bank of France rate of discount	5%	New York on London	T/T 485¾
London open Market of Dis. 3 m/s	3 3/16%	Bombay on London	T/T 1/5 27/32
,, 4 ,,	3 3/16%	Hongkong on London	T/T 2/0⅛
,, 6 ,,	3 3/16%	Kobe on London	T/T 1/11 5/16



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PARIS MARU, March 16.

To Chicago.

Silk, Raw, Filature:		
Wild, other Ports Bls. 50	Pls.	51,05
Tea, Scented, other Ports	„	14

To New York.

Silk, Raw, Steam Filature:		
White, Shanghai Bls. 90	„	89.00
Silk, Raw, Re-reeled:		
White, other Ports Bls. 68	Pls.	69.38
Silk, Raw, Filature:		
Wild, other Ports Bls. 60	„	10,76
Brassware	„	39
Feathers, Goose	„	201
Woodware	„	5
Skins, Leopard	Pcs.	121

ATREUS, March 19

To New York.

Antimony Regulus	Pls.	422
Camphor	„	40
Skins, Goat, Untanned	„	110

PRESIDENT HAYES, March 22.

from U. S. A.

Cotton Piece Goods, Unclassed	Yds.	1,738
Cotton Absorbent	Pls.	5
„ Wooloa	„	5
Woollen Yarn	„	13
Aluminium Sheets	„	302
Copper Ingots	„	420
Aluminium Foil	„	159
Iron Nails, Cut	„	8
Iron Galvanized:		
Sheets, Plain	„	125
Steel Screws	„	518
„ Sheets	„	673
„ Tacks, Cut	„	2
„ Washers	„	98
Tinned Plates, Plain	„	647
Canned Asparagus	„	38
Bronze Powder	„	10
Fruits, Canned	„	1,098
Indigo Paste, Artificial, 50 per cent	„	175
Leather, Kid	„	2
„ Patent	„	25
„ Sole Shoulders	„	410
„ „ other kinds	„	296
Newspapers, Old	„	421
Oranges, Fresh	„	297
Paints, Unclassed	„	109
Paper, Unclassed	„	2,991
Pine-apples, Fresh	„	43
Raisins	„	9
Shrimps, Dried	„	87
Soda, Silicate of	„	213
Sugar, Cube, White	„	11
Sulphur, Black	„	1,100
Tobacco, Prepared, in Packages	„	206
Machines, Sewing and Knitting	Pcs.	5
Motor-cars	„	5
Typewriters	„	2
Baking Powder	Doz.	50
Files	„	755
Handkerchiefs	„	475
Hosiery	„	150
Underwear	„	123
Cigarettes	Mille	4,055
Lemons, Fresh	„	20
Oil, Lubricating, Mineral	Galls.	24,998
Shoes	Pairs.	960
Dyes, Aniline Pkgs. 115 Hk Tls.		7,020
Infants' Food	„	8,679
Treasure:		
Silver Bars	„	392,077

PRESIDENT HAYES, March 23.

To New York.

Silk, Waste:		
Other Ports Bls. 3	Pls.	8.66
Antimony, Crude	„	252
„ Regulus	„	1,512
Egg Albumen, Dried	„	15
„ „ Moist	„	1,058
„ Yolk, Moist	„	1,113
„ Whole Dried	„	228
Feathers, Duck	„	155

To Boston.

Egg Albumen, Dried	„	15
Nutgalls	„	409
Skins, Goat, Untanned	„	539

TENYO, MARU, March 24.

From U. S. A.

Tobacco, Leaf	Pls.	7,332
Bedsteads, Iron	Pcs.	98
„ Brass	„	18
Cigarettes	Mille	990

OAKRIDGE, March 24.

from U. S. A.

Flour, Wheat	Pls.	9,004
Canned Fruits	„	16
Timber:		
Softwood, Ordinary, Sawn	Sup. ft.	1,554,447
Softwood, Merchantable	„	397,914

PRESIDENT CLEVELAND, March 25.

From Manila.

Rope	Pls.	134
Cigars	Mille	361
Cigarettes	„	75

STEEL WORKER, March 26.

from U. S. A.

Iron Nails, Cut	Pls.	270
Steel, Galvanized:		
Sheets, Plain	„	769
Steel, Bamboo	„	1,675
Tinned Plates, Plain	„	2,030
Paper, Coated	„	1,373
Starch	„	108
Tobacco, Leaf	„	7,775

SILVERCEDAR, March 28.

from U. S. A.

Cotton, Raw Bls. 846	Pls.	2,903
Leadfoil & Tinfoil, Mixture	„	197
Flour, Corn	„	330
Gum, Rosin	„	1,100
Paper, Coated	„	1,352
Tobacco, Leaf	„	8,267
„ Stalk	„	312
Canned Sardines	Doz.	400

JAPANESE PRINCE, March 28.

from U. S. A.

Cotton Canvas	Yds.	3,130
Waterproof Cloth	„	1,495
Aluminium Sheets	Pls.	219
Tinned Plates, Plain	„	2,121
Indigo Paste, Artificial: 50 per cent.	„	79
Lampwick	„	6
Leather, Sole, Shoulders	„	151
Paper, Writing	„	109
„ Unclassed	„	33
Soda Ash	„	51
„ Caustic	„	1,267
Tobacco, Leaf	„	4,005
Twine, Cotton	„	4
Cigarettes	Mille	63,100
Oil, Lubricating, Mineral	Galls.	10,424
Shoes, Canvas	Pairs	528
„ Rubber	„	432

SCOTTSBURG March 28.

from U. S. A.

Cotton Piece Goods, Unclassed	Yds.	16,334
Iron Pipe Fittings	Pls.	17
Tinned Plates, Plain	„	468
„ „ Old	„	211
Carbon Black	„	176
Dextrine	„	16
Flour, Corn	„	138
Leadfoil and Tinfoil, Mixture	„	554
Glucose	„	67
Paper Coated	„	715
Soda, Caustic	„	1,496
Starch	„	16
Tobacco, Leaf	„	3,857
Machines, Sewing	Pcs.	6
Motor-cars	„	5
Typewriters	„	47
Cigarettes	Mille	24,800

LORENZO, March 30.

From U S. A.

Cotton Duck, not over 30 in. wide	Yds.	4,018
Iron Black Tubes	Pls.	1,584
Iron, Galvanized:		
Pipes Fittings	„	6
Tubes	„	1,841
Steel Sheets	„	604
Steel, Galvanized:		
Sheets, Plain	„	171
Tinned Plates, Decorated	„	178
„ „ Plain	„	5,277
Leadfoil and Tinfoil, Mixture	„	531
Paper, Coated	„	1,511
Tobacco, Leaf	„	4,550
Cigarettes	Mille	54,000

Weekly Cotton Market Report

By J. Spunt & Co.

China Cotton:—Our market during the early part of the week showed signs of firmness which is attributable to the very meagre or hardly any arrivals from interior marts, owing to the difficult transportation along the Yangtsze river, however, at the close, due to the continued depression in the yarn markets, the slight demand for the raw material, and the unfavorable political outlook, prices declined suddenly, and the net change for the week, on the whole, ruled somewhat higher than the level prevailing in the previous period.

The advances registered during the week under review in Mid-Americans and Indians appear not to have affected to any extent the rates on the domestic staple, however, should the rates in Mid-Americans and Indians continue in its upward course, prices on the local staple will naturally move in the same direction for the simple reason that a great demand from our industrious neighbor and abroad will make itself felt on China supplies.

Under the circumstances, in reviewing the raw cotton situation at this moment, we find that prices incline more toward an ascending than descending scale, and the only deduction to be made by spinners, for the time being, is to take advantage of offerings at current rates both for immediate and future requirements, and thereby secure to themselves eventually more profitable results.

Yarns:—The market during the past week has been generally weak, with a futher decline of about two taels from last week's level, due to the light demand from the interior ports. Business for export has been booked some 6,000 to 7,000 Bales in all counts during the week under review.

Liverpool:—

American-Middling	7.89
American-Middling last reported	7.77

Tone of Market, *Steady*.

Indian Market:—

Fully Good Bengal, May	267
Fine Oomra, May	274
Fully Good Broach, A./M.	286

Tone of the market—*Steady*.

New York Market:—

Price of Mid-Amer.	15.30 Sept.
	14.95 May.
	15.21 July.
	15.49 Oct.
	15.68 Dec.
	15.76 Jan.

Tone of the market:—*Firm*.

Shanghai Market:—

	Tls.
Tungchow, spot exwharf	31.40
Shanghai, Spot	30.50
M. Ginned, Spot	31.25
Shensi, No. 1 Spot	31.50
Ningpo, Spot, Exwharf	30.40

Tone of the market—*Steady*.

(Continued from page 238)

Gen. Chiang Tso-ping, Soong Yuan-yuan—Rumored that Chang Tso-ling will accept the resignation of Wellington Koo and form a new cabinet with himself as Premier—*Kuo wen* states that Chang Tso-ling, the Waichiaopu and the Peking Ministry of Justice will create a new court of eight judges to try the Chinese who were arrested in the Soviet Embassy—Japanese remove part of their barricades at Hankow—Chinese journalists at Hankow propose the formation of a national association—Chiang Kai-shek summons his new financial commission to Nanking to formulate plans for (1) financial rehabilitation of Kiangsu (2) establishment of a central financial bureau (3) unification of tax collections in the Kiangsu area.

April 22-23—Chiang Kai-shek sends a telegram to military authorities in Kiangsu, Chekiang, Anhwei, Fukien and Kwangtung instructing them to protect all Chinese banks on account of the financial crisis at Hankow; Chinese banks at Shanghai refuse to do business with Hankow—Hankow Government puts embargo on export of silver and attempts to force use of notes of Central Bank, Bank of China and Bank of Communications; foreign bank notes cannot be used but may be exchanged for the Chinese notes—Gen. Chang Chung-chang dispatches Gen. Chu Yu-puh to Tsaochwang to attack the 'bandit' Liu Hu-chi who has become active—Reported that Nationalist troops have occupied the town of Linhweikwan on the Tientsin-Pukow Railway north of Nanking—Nationalists dispatch 10,000 troops to Yangchow to attack Sun Chuan-fang—Powers nonplussed by split between Hankow and Nanking factions—Nanking dispatch states that Political Committee decides to appoint Pan Kung-chan and Meng Hsing-she as members of the Shanghai political committee and appoints Chang Ching-kiang as chairman of the Chekiang political committee at the request of Chekiang public bodies—*Toho* report from Hankow states that Government has decided to dismiss Gen. Wang Ling-chi from post as defense commissioner at Chungking, Szechuen.

April 23—*Toho* report from Kiukiang states that Gen. Cheng Chien who is supposed to be in opposition to Chiang Kai-shek has left Hankow with an army to attack Chiang Kai-shek and that he landed in Anhwei and disarmed a considerable number of Gen. Chiang's men; Also reported that Gen. Cheng Chien's troops in Nanking have been placed under surveillance by Chiang Kai-shek—Chang Tso-ling states that the documents discovered in the Soviet Embassy show that the Soviet in the past six months advanced $93 863 to Chinese Communists; also claims that the Soviet advanced large sums to Feng Yu-hsiang—Peking Treaty Power Ministers state that their taking over the wall about the Soviet Embassy is in accordance with the Boxer protocol—Japanese and Chinese disagree over the tariff provisions in the new treaty, Dr. Koo insisting that the Conventional tariff shall apply only to goods originating in Japan, but Japanese insisting that it shall apply on all goods brought into China by Japanese regardless of origin—Baron Tanaka, Japanese premier in address states that Japan cannot remain indifferent to communistic activities in China and that Japan is ready to cooperate with the other Powers 'after taking into consideration the character of the particular problems, the appropriate time and measures to be taken'—suspension of branches of Bank of Taiwan in China causes serious apprehension in various places, particularly Foochow and Shanghai—*Toho* report from Peking states that the five Powers have completed their reply to the Chen Note but are only waiting for instructions from their home governments; Ministersadmit that the establishment of a 3rd Chinese Government at Nanking complicates the situation.

April 24—Serious anti-British agitations and boycott declared against British in Singapore as a result of the recent shooting of Chinese students by the British police, the incident being similar in many ways to the May 30, 1925 incidents in Shanghai—Armed pickets cause trouble at Kiukiang—Rear Admiral Oyamada arrives in Shanghai from Japan and inspects some 2,000 Japanese Marines at Hongkew Park—*Toho* report from Peking alleges that the Soviet has organized two regiments at Chita, Siberia to prevent the Ankuochun authoriries from adopting any 'high-handed actions against the Russians'—Gen. Ho Feng-lin, former defense commissioner of Shanghai will head new court at Peking to try the Chinese who were arrested in Soviet Embassy raid—*Toho* states that Japan will demand indemnity from the Ankuochun authorities over the Chaoan Maru incident—Chang Tso-ling appoints a new committee to negotiate with the British over the Tientsin Concession—Demonstration of students in Hankow demands execution of Ho Teh-lin, former minister of finance in Peking who is under arrest in Hankow, this action supposed to be in retaliation for Chang Tso-ling action against the Chinese communists arrested in the Soviet Embassy raid—Tang Shen-tse, Nationalist commander at Hankow has ordered his troops to advance into Honan, the following comnanders to participate: Chang Fa-kwei, first army; Liu Hsiang second army; Ho Chen, third army; Wei Yi-dan, fourth army; Yin Yen-chi, fifth army—Chiang Kai-shek visits Sun Yat-sen tomb in Nanking—*Kuo Wen* dispatch from Tsinanfu states that Gen. Chang Kuh-yao, commander of the Shantung 67th army has turned over to the South—Admiral Wen Shu-teh has been reappointed commander of the Tsingtao squadron—Chang Tso-ling orders Gen. Han Lin-tsung back to Honan where situation reported serious—Kiangsu financial commission appointed by Chiang Kai-shek includes Yu Ya-ching and K. P. Chen of Shanghai, and announces that financial bureau formerly under T. V. Soong will be reorganized—Nanking in complete darkness owing to cutting of wires by bombardment from Pukow—Rumored that Chiang Kai-shek and Sun Chuan-fang have made peace and that the fighting has stopped between Chinkiang and Yangchow.

April 25—*Kuo Wen* agency report states that Chang Tso-ling will not take any action against the Soviet for the present—Reported that Chang Tso-ling and British nearing agreement regarding retrocession of British Concession at Tientsin—Financial situation at Hankow continues tense owing to Moratorium and embargo on silver shipments from Shanghai and Canton—Agreement for retrocession of Tientsin British Concession said to include joint Chinese-British committee, but still undecided whether the chairman will be British or Chinese; regarding police arrangement reported that present staff will be retained—Rumored that hitch has developed in negotiations for retrocession of Tientsin Belgian Concession—*Kuo Wen* states that Chinese in Peking are refusing to accept notes of Yokohama Specie Bank and American International Bank—U. S. Isabel lands 50 marines to rescue three Standard Oil men who were being kidnapped by laborers, and when men released the Marines returned to ship, but 30 bluejackets landed the next morning to protect the property which is now closed to business—Six Britons at Wenchow including the Customs Commissioner and Harbor Master evacuated for Shanghai leaving only Japanese in city—Foreigners, exclusive of Japanese still in Hankow include 114 Britons, 68 Americans, 114 French, 46 Italians, 223 Germans, 14 Belgians, 10 Russians, 183 British Indians, and 10 Danes, all of whom sleep on the bund at night under protection of gunboats—Japanese gunboat Toba escorts Yunyang Maru to Chungking—Huge anti-Japanese demonstrations at Changsha; Mobs attack Chinese employes of Japanese and imprison them following evacution of Japanese—British cruisers Vindictive and Carlyle arrive at Hankow causing stir among Chinese and rumors of British plans to regain the British Concession.

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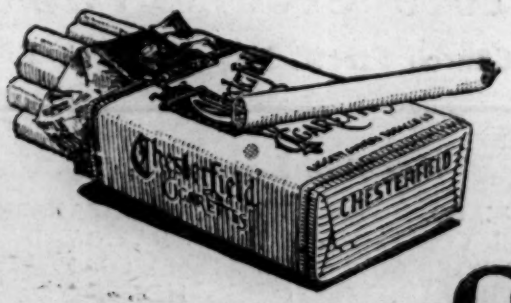

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